

FOREIGN AFFAIRS

JANUARY/FEBRUARY 1996



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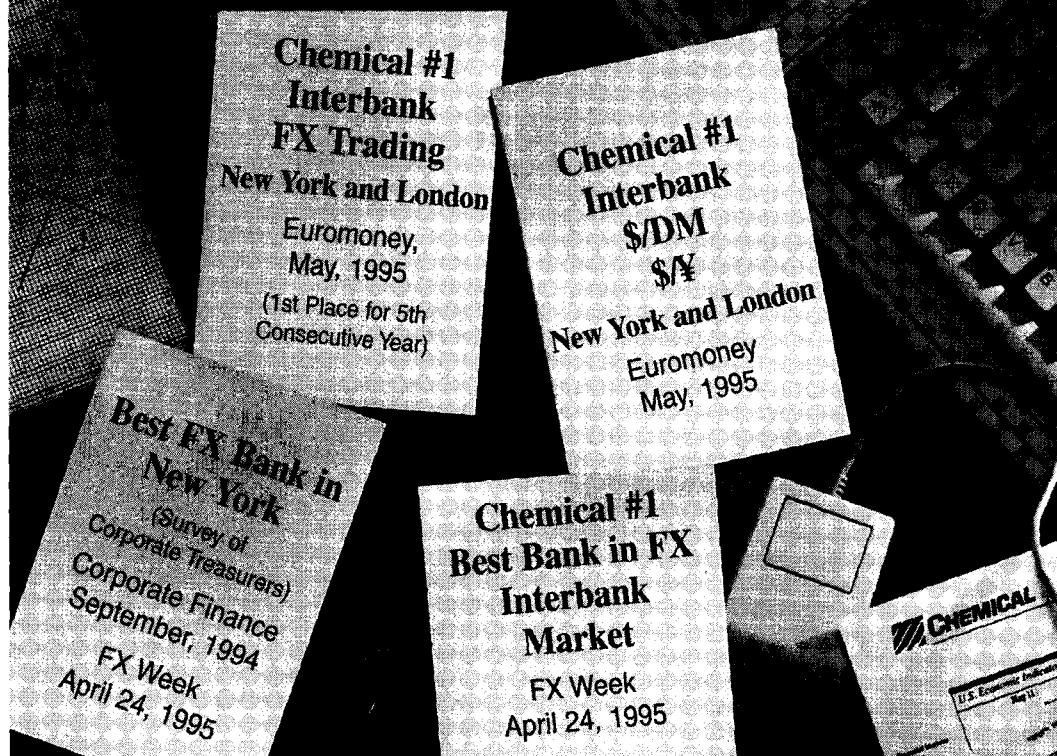


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determines the survival and success of the surrounding region and ultimately the stability of the international system. The list should include Mexico, Brazil, Algeria, Egypt, South Africa, Turkey, India, Pakistan, and Indonesia. A discriminating strategy for shoring up the developing world is a wise way to address traditional security threats and new transnational issues; it might be thought of as the new, improved domino theory. If effective, it could forestall the move in Congress to wipe out nearly all foreign aid.

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Humanity is on the move as never before, and most of those who leave home seeking a better life head for a city. The most explosive growth has been in the Third World, which has 233 cities of more than a million people and some 20 at the 10-million mark. Megacities breed megaproblems—pollution, disease, and desperation. With the fate of urban areas increasingly determining the fate of nations and regions, how these overburdened poorer cities handle the influx will affect us all.

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new threats: terrorism and catastrophic accident. The arsenals and mindsets of the past half-century present a formidable barrier to change, but the United States must lead the way in preventing nuclear weapons from becoming acceptable.

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Editor's Note

The Moscow Circus

It was the first snow of the season, and it fell in large flakes for three days, blanketing Moscow's gray buildings in a gentle white. The snow was nearly the only soothing thing in the Russian capital during an early winter visit. The traffic jams were a match for any auto-indulgent Western metropolis; the citizens grumbled with understandable cynicism about corruption, crime, and economic hardship; and electioneering for Duma candidates reached circus pitch with rock-and-roll concerts, free beer, and highflying false promises.

The voting on December 17 for 450 legislators was only Russia's second free parliamentary contest. Some observers say it did not matter much because the Duma was granted so little clout in the 1993 constitution crafted after Boris Yeltsin's tanks routed the last Soviet parliament. Legislators can make noise and engage in showy fistfights, but their authority is limited mostly to the budget process. For the 1996 federal budget, they did wheedle subsidies for agriculture, defense, and social spending but then fell into line, having spent their limited power. There was little of the tumult that marked budget-making in Washington.

But the Duma elections were important even if not empowering and even if many seats were for sale. Just being held on schedule made a point in a land where

the autocratic lineage stretches back through commissars to tsars to Tartars. The elections also presaged the more important contest for the presidency, set for June, and they provided a temperature reading on relations between the central government and the 89 republics and provinces that make up the vast Russian Federation.

The key unanswered question is still, "What is Russia to be?" Some characteristics of the work in progress are taking form. A market economy of some kind is now a good bet as privatization has gone too far to be reversed: over 130 million Russians have bought shares in some 16,000 state-owned companies since 1991. But the "insider" nature of the privatization has created gross inequities and contributed to lawlessness and corruption. Inefficiencies are most consequential in the huge energy sector (17 per cent of GDP). The natural gas industry continues to enjoy the protection of its former Soviet boss and Russia's current prime minister, Viktor S. Chernomyrdin, from market forces and full taxation.

CLOUDY POLITICS

Less clear is the future balance of democratic and authoritarian ingredients in Russia's politics. A shift toward slower economic reform, more social control, and a nationalist foreign policy is ex-

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pected if the progress of the Communist Party and its potential right-wing partners in the Duma elections is repeated in the presidential contest. Communist leader Gennadi A. Zyuganov has transformed the party from a Leninist relic into a well-organized vehicle for enrolling members (it has more than all other parties combined), getting out the vote, and delivering an appealing message that mixes leftist populism, Slavophile patriotism, and prickly skepticism of the West.

In contrast, since the previous election, in 1993, the rest of the political spectrum has seen the proliferation of more than 40 factions rather than the emergence of broadly based political parties. This fragmentation has confounded consensus-building and contributed to a stalemate in Russian politics. Not surprisingly, public dissatisfaction with both the economic results of the Yeltsin years and the workings of the political process is high. In this environment, authoritarian-minded candidates for the presidency currently lead in public opinion polls, although none draws a favorable rating greater than 12 percent.

On the right, the ex-general who would be Russia's Pinochet, Aleksandr M. Lebed, has edged ahead of the clownish Vladimir V. Zhirinovskiy as a challenger. Zyuganov, while less charismatic than either of the extreme nationalists, has a better base and a less extreme version of law-and-order rule with which to mount a strong campaign. Grigori A. Yavlinsky and Yegor T. Gaidar continue to split the democratic forces. Meanwhile, the men around Yeltsin dish out positive spin on his health, spurred by fear of what their lives would be like, in or out of jail, without their man at the

top. And they consider ways Yeltsin can steal some of the nationalist candidates' popular issues.

THE CENTER CANNOT HOLD

Political fragmentation also weakens the central government by creating separate power bases for the elites of the republics and provinces. Power over taxes, external trade provisions, and other key aspects of governance has been flowing from the center. Far Eastern regions, lured by Asian market opportunities, and northern territories, attracted by the Nordic countries, want more authority. To date the Yeltsin government has sustained the federation with a combination of carrots and sticks, with the emphasis increasingly on the former as the center gradually loses political power. But the practice has been feudal in nature, with different enticements for different regions, much depending on who squeals and for what. To the absence of a constitutional commonality for relations between the central and regional governments must now be added a declining political one. And the ongoing military campaign to retain Chechnya makes all the more difficult the maintenance of the federation as something more than a mere semblance of nationhood.

If the turn to new-age communists in Central Europe is a guide, it is premature to read systemic regression into the Duma results and the heated campaign rhetoric. But, at a minimum, Western advocates of expanding NATO eastward have fresh material with which to make their case.

James F. Hoge, Jr.
Editor

Comments



In 1995 big banks were felled, but
the global financial system was, and is,
strong enough to hold up.

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Shockproof

The End of the Financial Crisis

Ethan B. Kapstein

The past year witnessed three of the most dramatic financial collapses since the Third World debt crisis of 1982. The meltdown of the Mexican peso in December 1994, the failure of the 233-year-old Barings Bank last February, and Daiwa Bank's \$1 billion loss in November—apparently at the hands of a single trader—would all seem to point to a financial system that has spun out of control.

In June 1974, when the small German Bankhaus Herstatt floundered, the contagious effect was immediate: interest rates rose, the Euromarkets (the London-based markets for dollars and other hard currencies) shriveled, and the integrity of the American payments system was threatened. The 1982 debt crisis led to even greater anxiety about a possible catastrophe, and the payments system was kept in motion only by the injection of huge amounts of cash by the industrial countries and the International Monetary Fund (IMF).

But last year the markets responded to these financial crises with little more than a "ho hum." In fact, the U.S. stock market

boomed, and interest rates around the world declined. The Bank of England allowed Barings to fold, and nothing happened. American regulators closed Daiwa Bank's New York office, and the markets did not squeal. Both inside and outside the U.S. government and international organizations, analysts continue to debate whether the Mexican bailout was really necessary.

What explains this sea change in the reaction of international markets to financial shocks? Over the past 20 years the leading economic powers have created a regulatory structure that has permitted the financial markets to continue toward globalization without the threat of systemic collapse. The elimination of financial contagion has required painstaking efforts by dedicated public servants who have had to navigate between domestic political pressures and concerns about the well-being of the international system.

One school of thought, represented by the consultant Keniche Ohmae and the economist Richard O'Brien, views the international economy as supranational.

ETHAN B. KAPSTEIN is Director of Studies at the Council on Foreign Relations. His most recent book is *Governing the Global Economy: International Finance and the State*.

tional, the nation-state as increasingly irrelevant to its healthy operation. But rather than demonstrate how the expansion of markets is a product of eroding state power, the historical record shows that concerted state action has made possible the sustained growth of international finance. The “formula” that central bankers adopted for the regulation of global markets places the responsibility for their supervision clearly on the state. The regulatory model was international cooperation based on home country control, meaning that no bank would be allowed to operate unless a single national regulator had supervisory responsibility for all its operations, both foreign and domestic.

FIRST STEPS

Central bankers live under the shadow of the Great Depression. During the 1930s, the global financial system collapsed: more than one-fifth of all American banks ceased operations, and major banks failed throughout Europe, particularly in Germany and Austria. By some accounts, the prolonged economic crisis contributed directly to the rise of Hitler and the outbreak of World War II. Public officials watched these events from the sidelines, and international efforts to shore up the banking system were notable for their failure.

The lessons of this traumatic period resonate in the contemporary discourse on financial markets. Bankers and officials often express fear that a crisis in one country could spread like wildfire around the world. As Federal Reserve Board Chairman Alan Greenspan told a Japanese audience in 1992, “A failure by one of these [financial] institutions . . . could result in

serious systemic problems.” Greenspan was pessimistic, as is his charge. But he might have noted the progress of financial regulators in containing crises and the role that international cooperation has played in this endeavor.

International collaboration among financial regulators has its origins in the wake of two banking failures of 1974, those of the Bankhaus Herstatt and the New York-based Franklin National Bank. In response to the international crisis that ensued, the central bankers of the Group of Ten (G-10) industrial countries voted to create the Standing Committee on Banking Regulations and Supervisory Practices, now commonly known as the Basle Committee. These policymakers faced a problem that was straightforward yet complex: while money and banks might cross borders, they could not. To compound their task, the members of the G-10 had very different financial rules and systems. In Germany, for example, “universal” banks handled nearly all commercial and investment banking functions and dominated the financial markets; in others, with the United States representing the extreme case, the system was highly fractured, with thousands of financial institutions and a confusing web of regulations and regulators.

Faced with this situation, the central bankers’ objectives, articulated in the 1975 Basle Concordat, were appropriately modest. They aimed to share information about banks and regulatory systems and to identify which national regulator had primary responsibility for overseeing the activities of the increasingly international financial institutions. The Basle Concordat laid down the general principle that no international bank would be

permitted to escape supervision. It further stated that "parent" or "home" country authorities would be responsible for the oversight of bank solvency. Finally, it urged home and host countries to share information about the activities of multinational banks.

The Basle Concordat, however, remained murky on several important issues. First, the Germans had indicated they would not bail out any banks that had failed due to fraud, yet fraud was one of the major causes of bank failure. Second, the accord did not define who would bear responsibility for the supervision of subsidiaries abroad. Third, even if parent and host authorities shared information, regulators might still be unable to construct a complete picture of a multinational bank. This could be achieved only with a consolidated set of books and a single regulator assigned overall responsibility, which the Basle Committee later recommended.

These gaps became apparent during the troubled summer of 1982, beginning with the collapse of Italy's Banco Ambrosiano and ending with Mexico's announcement that it had suspended its debt payments. Taken together, these events pointed to a fragile international payments system that still lacked effective supervision. The Ambrosiano failure was a classic case of the problem of regulatory responsibility. Although it was an Italian bank, Ambrosiano's troubles originated in its Luxembourg subsidiary. The Bank of Italy claimed that it was not responsible for overseeing that operation. Luxembourg's authorities said much the same thing. While the regulators argued, the Euromarkets stopped lending to small and less-known banks, which were

perceived as relatively unstable.

As the Ambrosiano drama played itself out, an event occurred that would claim the world's attention for a decade. The Third World debt crisis officially began when Mexico announced on August 12, 1982, that it lacked the hard currency to meet its obligations to foreign banks. The debt crisis raised the specter of another Great Depression, with the world's most prominent banks tumbling as Third World countries defaulted on their loans. As Benjamin Cohen wrote, "Should the Mexican storm spread to other major Latin borrowers . . . there was no telling what might happen to the structure of international finance—or to the whole world economy for that matter."

RAISING CAPITAL

During the summer and autumn of 1982, Federal Reserve Board Chairman Paul Volcker and Treasury Secretary Donald Regan fashioned a two-pronged strategy for dealing with the debt problem. Their objective was nothing less than maintaining the integrity of the international financial system. One prong entailed injecting enough liquidity into the system, through bilateral and multilateral grants and loans to debtors, to prevent its breakdown. The longer-term plan was to strengthen the international banks that were now on the brink of collapse by requiring them to increase their equity. Beyond that, Volcker and Regan sought to use the crisis to force developing countries to adopt significant changes in economic policy.

A major actor in implementing this strategy would be, of course, the IMF. But to play this heightened role, the IMF would need a larger budget, and its



KOPELNITSKY/CARTOONISTS & WRITERS SYNDICATE

member countries, the most important of which was the United States, would have to approve these funds. In the summer of 1982, however, Congress had little enthusiasm for the IMF, the debtors, or the banks, particularly after the grueling recession of 1980-81. One U.S. Treasury official present at the annual meeting of the IMF and the World Bank in September of that year wrote that the atmosphere was "almost universally morose. Fear was widespread that the world's banking system would collapse, bringing an implosion of credit, then trade, and ultimately an inevitable worldwide depression."

In early 1983 the Reagan administration requested an \$8.4 billion increase in the U.S. IMF contribution. The response was predictable: in the words of Senator Jake Garn, chairman of the Senate Bank-

ing Committee, "There will be legislation . . . so we can go home and say we didn't bail out the big banks." Congress told the administration that it would have to propose a package of new and more stringent banking regulations before the IMF request would be considered. The most important aspect of the administration's plan concerned capital adequacy, the ratio of capital to assets. The American authorities stated that henceforth they would "analyze a bank's capital adequacy in relation to the level of diversification of the bank's international portfolio. Those institutions with relatively large concentrations will be expected to maintain generally higher overall capital ratios."

In subsequent hearings, however, American bankers vigorously opposed this call for higher levels of capital. They

argued that unilaterally imposed regulations would place them at a competitive disadvantage at a time when they were already losing market share to European and Japanese banks. Since new regulations translated into higher banking costs, institutions with relatively low regulatory burdens could charge less for their services, winning new customers. To level the playing field, they demanded, if the United States insisted on any new regulations, Europe and Japan should also have to adopt them.

The senators felt strongly that the banks had to boost their ratios of capital to assets. If each bank went out and raised more capital, it would help restore confidence in the financial system as a whole. Moreover, greater capital would mean that shareholders—and not just taxpayers—would cover some of the costs associated with debt-crisis relief. But they were also sensitive to the bankers' pleas regarding competition. The obvious solution was to promote international convergence in banking regulations, starting with capital adequacy. As part of the approved IMF increase, Congress called upon "governments, central banks, and regulatory authorities of other major banking countries to work toward . . . strengthening the capital bases of banking institutions involved in international lending."

For the next three years, the Basle Committee debated the issue of setting a single international capital adequacy standard. Originally viewed by most of the member countries as an absurd idea, owing to the sharp differences between their banking systems, America's vigorous insistence ultimately led to a G-10 agreement in December 1987. Along with the Basle Concordat, the Basle Accord

represents the cornerstone of international financial regulation.

The Basle Accord sets minimum standards for capital adequacy for all international banks, and it ties capital levels directly to portfolio risk. If banks don't meet this minimum level, they must either shed assets or raise more capital; if they exceed it, they may be rewarded by better credit ratings, higher stock valuations, and entry into new markets. Alongside the Basle Committee, other international bodies, such as the International Organization of Securities Commissions, have adopted similar capital adequacy and market risk regulations for investment banks, and such basic standards now apply to all banking institutions in the European Union. These gauges provide consumers, credit agencies, and securities analysts with signals for judging the true strength of financial institutions. Today, many banks report their capital adequacy measures in their promotional materials.

The fruits of these regulatory efforts have been significant portfolio diversification and an important increase in the capitalization of international banking. These changes mean that the system is less exposed to danger by a single irresponsible actor—be it a Bank of Credit and Commerce International or a Barings.

REGULATORY SUCCESS

The financial difficulties of 1995 point to the strength, rather than the weakness, of the international regulatory structures. In each case—Mexico, Barings, and Daiwa—the worst effects have been contained. As a result, international markets have continued to function normally.

To be sure, in the case of Mexico extra-

ordinary action was deemed appropriate, although many observers both within and outside of Congress continue to doubt the urgency of President Clinton's request for emergency aid. International markets moved little in the wake of the peso's fall, and Martin Wolf of the *Financial Times* expressed the skeptic's view of the crisis when he wrote that the U.S. intervention to help Mexico "can be justified, therefore, by the desire to help the U.S.'s neighbor . . . but this has little to do with the global financial system."

Similar quietude followed the collapse of Barings Bank in late February 1995 at the criminal hand of a young derivatives dealer, Nicholas Leeson. Many chicken littles had predicted during the late 1980s and early 1990s that trading in derivatives—futures, swaps, and options—would trigger the next global financial crisis. But they overlooked the important role that derivatives have played in moderating systemic risk, providing banks with increased opportunities to diversify their portfolios and protect themselves from sudden market shifts. The Basle Committee has amended its accord to account for derivatives trading. Significantly, the Bank of England did little to reassure markets during the Barings collapse.

Reckless speculation in securities markets was also behind Daiwa's \$1 billion loss, leading to the closure of its New York office in November by American authorities and the subsequent forced restructuring of the bank by Japanese officials. Not only did this loss fail to generate shock waves, but the bank itself was large enough to contain the damage.

What is significant about these three contemporary cases is that in each the effects did not spread to international

markets, although some South American markets did feel aftershocks from Mexico. Many innocent Mexicans and Japanese will be hurt by the financial collapses and losses in their countries, and that is tragic. But the rest of the world has been largely sheltered, and in a world of global finance, that is no small achievement.

The international financial markets have not suffered from contagion because the roots of the disease have largely been eradicated. Thanks to international cooperation, at the core of the new regulatory structure lie better supervision, common banking standards, and higher, risk-based capital levels. Market actors have responded by organizing bigger and better-capitalized banks. Because of these reforms, Russian banks, although allegedly flush with cash, are having a hard time obtaining licenses to operate overseas. Both the lax Russian regulatory regime and most (if not all) of the country's banks fail to meet international criteria.

One could argue that this increase in financial security has come at a cost. Around the globe, large institutions are coming to dominate the markets, squeezing out the smaller banks that have played a significant role in venture capital, real estate development, and community-based lending. Although these small banks have been prone to failure in the past, due to poor management and lack of diversification, they have also provided important services and an entrepreneurial flair which large banks, based in the world's financial centers, may not possess. In the absence of these players, small and medium-sized enterprises could find it more difficult to obtain the financing they need; this problem has already come to the

fore in Germany, where some fear that the country is losing its economic vibrancy owing to the lack of venture capital and associated entrepreneurial activity.

The trend toward international regulation, be it at the global level in Basle or at the European level in Brussels, also has important political consequences. Traditionally, financial regulations were, for better or worse, embedded within domestic politics, meaning that a variety of special interest groups lobbied for preferences and protection. As regulatory structures are increasingly removed from their domestic political setting, it is becoming harder, if not impossible, for local financiers to influence policy choices. Only the largest banks will be able to lobby Basle and Brussels.

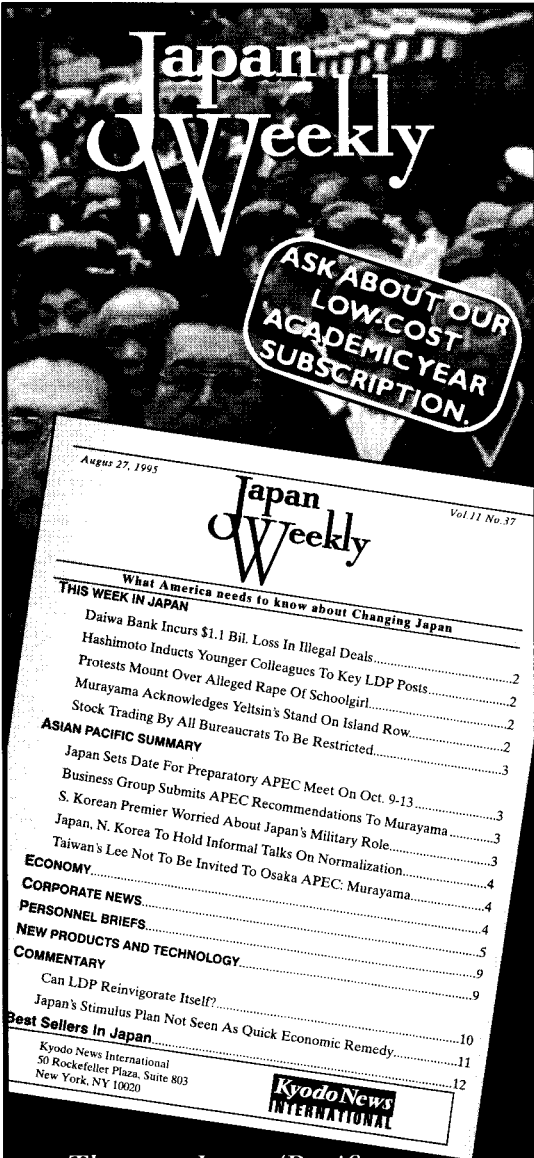
The international economy may pay a price for its greater financial security. We have found a way to contain crises, but "creative destruction," to borrow Joseph Schumpeter's phrase, could be the victim. The next challenge for banking regulators is to maintain a watchful eye on the marketplace without choking the very dynamism they seek to encourage. ☎

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Japan Weekly
August 27, 1995 Vol. 11 No. 37

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The Growth of Economic Espionage

America Is Target Number One

Peter Schweizer

Shortly after CIA officer Aldrich “Rick” Ames began selling secrets to the Soviet KGB in 1985, a scientist named Ronald Hoffman also began peddling classified information. Ames, the last known mole of the Cold War, received \$4.6 million for names of CIA informants before he was apprehended in early 1994. But Hoffman, a project manager for a company called Science Applications, Inc., made \$750,000 selling complex software programs developed under secret contract for the Strategic Defense Initiative (SDI). Hoffman, who was caught in 1992, sold his wares to Japanese multinationals—Nissan Motor Company, Mitsubishi Electric, Mitsubishi Heavy Industries, and Ishikawajima-Harima Heavy Industries—that wanted the information for civilian aerospace programs.

Ames received the more dramatic and sensational coverage, as he should have, given that his betrayal led to the loss of life. But the Hoffman case represents the future of intelligence. While one

spied for America’s chief military rival, the other sold information to a major economic competitor. Perhaps it should induce an epiphany of sorts that these two cases occurred in near congruence.

As economic competition supplants military confrontation in global affairs, spying for high-tech secrets with commercial applications will continue to grow, and military spying will recede into the background. How the United States elects to deal with this troubling issue will not only determine the direction of the American intelligence community, but also set the tone for commercial relations in the global marketplace.

THE NEW CURRENCY OF POWER

Most economic agents systematically collect economic intelligence using legal means. Major corporations collect business intelligence to read industry trends and scout the competition. Many nations track global and regional economic trends and even technological breakthroughs to

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AMMER/CARTOONISTS & WRITERS SYNDICATE

aid policymakers. But a growing number of states have become very active in gathering intelligence on specific industries or even companies and sharing it with domestic producers. Indeed, economic espionage, the outright theft of private information, has become a popular tool as states try to supplement their companies' competitive advantage. This is sheer folly, threatening to restore mercantilism through the back door.

The United States has devoted increasing attention to intelligence on economic issues, sometimes with diplomatic consequences. French Interior Minister Charles Pasqua summoned U.S. Ambassador Pamela Harriman to his office on January 26 of this year to protest U.S. spying on French commercial and technological developments. According

to *Le Monde*, CIA agents flush with 500-franc notes tried to bribe a member of the French parliament to reveal France's negotiating position on the nascent World Trade Organization. A senior official in the Ministry of Communications was offered cash for intelligence on telecommunications and audiovisual policy. A technician for France Telecom, the national telephone network, was also approached. All three immediately notified the French Directorate of Territorial Surveillance, which ordered them to play along with the Americans and lay a trap.

More recently, an October 15 story in *The New York Times* disclosed that American intelligence agents assisted U.S. trade negotiators by eavesdropping on Japanese officials in the cantankerous dispute over car imports. U.S. Trade Repre-

The Growth of Economic Espionage

sentative Mickey Kantor and his aides were the reported beneficiaries of daily briefings by the CIA, including information gathered by the CIA's Tokyo station and the National Security Agency's vast electronic network. How useful this information was remains open to debate. After all, the agreement the United States and Japan ultimately reached was hardly an unambiguous victory for Washington.

These reports, which appear to be accurate, indicate that the United States is following the model for economic intelligence several recent CIA directors have proposed. In 1991, believing that the CIA could make a "unique contribution" by uncovering foreign economic espionage in the United States and gathering information about the attempts of other governments to violate international trade agreements and "other basic rules of fair play," Robert Gates called for a deeper look at applying the tools of intelligence to economic matters. By 1993, James Woolsey had declared no more Mr. Nice Guy and promised that the CIA would sniff out unfair trade practices and industrial espionage directed against American firms.

Even with all this heightened activity and interest, the United States is far less involved in economic espionage than most of its major allies and trading partners. Spying on trade negotiators and attempting to obtain commercial information to assist government policymakers is economic espionage at its most benign level and should be expected. The United States has yet to surmount the critical firewall of passing purloined information to domestic companies competing in the global marketplace. It is in this area that the most damage is done to the international trading system and where most major industri-

alized countries have operated.

Over the past 15 years, the FBI has chronicled numerous cases involving France, Germany, Japan, Israel, and South Korea. An FBI analysis of 173 nations found that 57 were covertly trying to obtain advanced technologies from U.S. corporations. Altogether, 100 countries spent some public funds to acquire U.S. technology. Former French Intelligence Director Pierre Marion put it succinctly when he told me, "In economics, we are competitors, not allies. America has the most technical information of relevance. It is easily accessible. So naturally your country will receive the most attention from the intelligence services."

Recent data indicate that American industry has felt the effects of such unwanted attention. A 1993 survey commissioned by the American Society for Industrial Security found a dramatic upswing in the theft of proprietary information from corporate America. The number of cases increased 260 percent since 1985; those with foreign involvement shot up fourfold. A 1993 study by R. J. Heffeman and Associates noted that an average of about three incidents every month involve the theft of proprietary information from American companies by foreign entities. These estimates are probably conservative. Companies prefer not to admit they have been victims. An admission can depress the price of their stock, ruin joint ventures, or scuttle U.S. government contracts.

The sort of espionage that threatens U.S. corporations varies with the national characteristics and culture of the perpetrators. France possesses a well-developed intelligence service, one of the most aggressive collectors of economic intelligence in the world. Using tech-

niques often reminiscent of the KGB or spy novels, the French in recent years have planted moles in U.S. companies such as IBM, Texas Instruments, and Corning. Japan lacks a large formal intelligence service such as the CIA or Direction Générale de la Sécurité Extérieure (DGSE) but remains an active acquirer of business information. A public-private partnership has evolved between the Ministry for International Trade and Industry and the Japan External Trade Organization, supplementing and nurturing the already well-developed commercial intelligence networks created by Japanese corporations. These commercial networks rival the intelligence services of medium-sized nations. Matsushita's intelligence operations in the United States, for example, occupy two full floors of a Manhattan skyscraper, according to Herb Meyer, special assistant to CIA Director William Casey during the Reagan administration.

THE GAINS FROM THEFT

That so many states practice economic espionage is a testament to how profitable it is believed to be. Marion boasts that during his tenure, France won a \$2 billion airplane deal with India thanks to the work of the DGSE. The late French spy chief Count de Marenches typified the French view when he wrote in his memoirs that economic espionage is "very profitable. . . . In any intelligence service worthy of the name you would easily come across cases where the whole year's budget has been paid for in full by a single operation."

Economic espionage threatens to unhinge certain post-Cold War goals such as arms control. On-site inspections, a necessity for some agreements, create

institutional opportunities to engage in espionage. The Chemical Manufacturers Association, for example, fears that a chemical weapons treaty with a rigid on-site verification regime could subject 50,000 industrial sites in the United States to systematic international inspection and monitoring. Officials from any number of countries would have access to sensitive information about the American chemical industry, including plant layouts, production levels, perhaps even formulas.

Intelligence collection is a proper function of the state—protecting the national interest and informing statecraft. But collecting proprietary information and sharing it with domestic producers is an entirely different matter. That kind of economic espionage ought to be called what it is: at best a subsidy to well-connected domestic companies, at worst theft on a par with piracy. Economic espionage can grossly disrupt trade and corrode a nation's science and technology base. It is a parasitic act, relying on others to make costly investments of time and money. And to destroy the rewards of investment is to destroy the incentive to innovate.

THE QUIANT UNITED STATES

This is a decidedly minority point of view in the world marketplace. The rest of the world does not share the American capitalist ethos of vigorous but open competition. In both Europe and Asia, the American law that bars U.S. corporations from bribing foreign officials is viewed as quaint. Antitrust laws are likewise dismissed as an American idiosyncrasy. The semi-corporatist cultures of continental Europe and Asia view the state-business relationship very

differently than does the United States. There is a popular old joke in American business circles: "What are the nine scariest words in the English language?" "I'm from the government and here to help you." This quip would hardly garner a smile in Tokyo, Paris, or Berlin.

Early indications are that Russia is more likely to embrace the semi-corporatist view than the American laissez-faire model. The transition from communism to capitalism means only that Russian intelligence will have a greater business orientation. Russian intelligence officials speak of nonbudgetary resources for defense and security policy. And as James Sherr of Oxford University pointed out in the winter 1994-95 *National Interest*, Russian intelligence officials are blurring the distinction between, if not merging, state policy and private pursuits. The newly created Federal Agency for Government Communications and Information indicates this trend. Encompassing the former KGB's communications assets, it is both a "strictly classified organization" and a business, with the right to contract with foreign investors, invest in foreign commercial entities, and set up companies abroad.

As economic strength in part replaces military might as the currency of national power, one can only expect this trend to continue. Trade talks have supplanted arms control as the most acrimonious, demanding, and headline-grabbing form of diplomacy, a certain sign of changing priorities. Consequently, most intelligence organizations around the globe are all too willing to serve as a competitive tool to protect budgets in lean times.

The current interregnum between the Cold War and the new era of economic

conflict provides an opportunity finally to address this issue. Fissures or disagreements within the Western alliance no longer have the dangerous consequences they might have had at the height of the Cold War. The United States needs to treat economic espionage not only as an intelligence issue, but as the competitiveness and economic issue it has become. Until it does, the American response will be spotty, and the results minimal.

In 1991 the FBI began a quiet shift from the traditional focus of its counterintelligence policy. The country criteria list, which identified nations whose intelligence services needed watching, has been replaced by the national security threat list, which identifies key American technologies and industries that should be protected. This is an important first step. But even a successful counterintelligence operation will accomplish little unless there are consequences for those who are caught. In the past, ensnared thieves usually received a slap on the wrist. When prosecuted in a court of law, it has usually been under statutes that make it illegal to transfer stolen goods across state lines. This is a difficult legal standard, particularly since some judges believe that information is not a good.

Changes in U.S. law and greater diplomatic fortitude offer the best hope for grappling with this problem. When Hitachi admitted in court that its employees tried to purchase stolen "Adiron-dack" computer design workbooks from IBM, the judge in 1983 fined the company a whopping \$10,000. The U.S. government did not blink an eye. Several months after the trial, Hitachi reportedly won a major contract to equip the Social Security Administration with

computers. (Ironically, the losing bid was submitted by IBM.) When it was disclosed that between the early 1970s and late 1980s the French DGSE had planted agents in Texas Instruments, IBM, and Corning and shared the purloined information with Compagnie des Machines Bull, the U.S. government merely sent a letter of diplomatic protest. Likewise, when Israeli intelligence officers stole valuable technological data from Illinois defense contractor Recon Optical, no penalties were imposed. Selling SDI computer software programs did get Ronald Hoffman a six-year prison term, but the Japanese companies that purchased the data faced no sanctions. This state of affairs should be unsatisfactory.

The United States should consider changing its privacy laws. The data protection laws of countries such as Austria, France, Switzerland, Belgium, Germany, New Zealand, Denmark, Norway, and Luxembourg define "persons" to include corporations for protection of privacy purposes. Their laws provide a much higher level of protection for corporate information, treating business secrets as equivalent to the private data of individual citizens. Under much more firmly defined privacy statutes, thieves could be prosecuted.

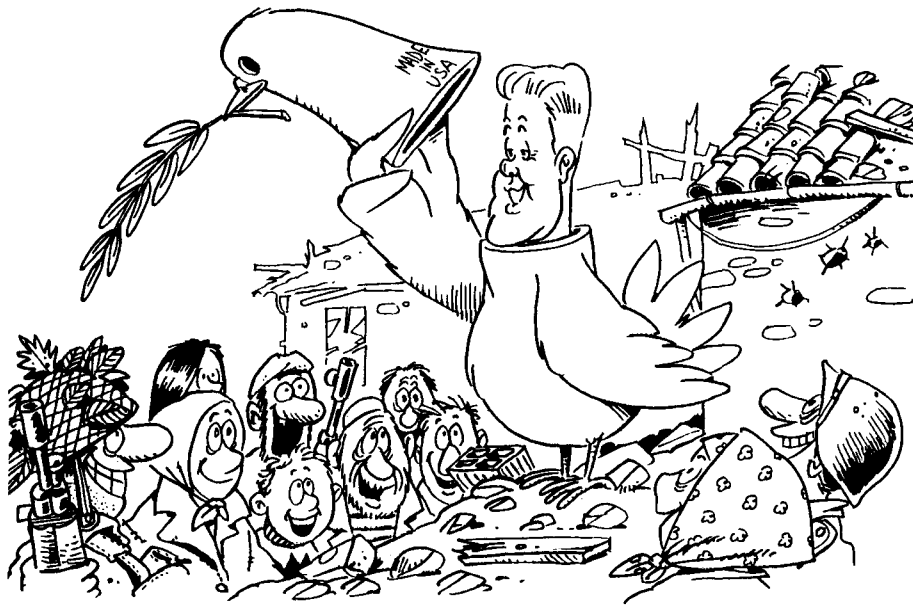
When diplomats are involved, the United States should be as aggressive and vigorous as it was when dealing with Soviet spying, or at least as firm as France was last January. Instead, diplomatic personnel have simply been asked to leave quietly, a gesture with little punitive effect. Foreign corporations involved in the theft of American technology or corporate information should face real monetary costs for their crimes. Until there is a price to be paid, companies will

not think twice about purchasing and using stolen information, and foreign governments will not blink at stealing American proprietary business information.

How the United States chooses to deal with this problem will set the tone internationally. Some, such as former CIA Director Stansfield Turner, have proposed an American economic espionage program, in effect imitating foreign competitors. But this path is fraught with peril. There is no groundswell of support for such a course in either corporate America or the intelligence community. Ask intelligence professionals what they think about the idea and they are likely to tell you, "I will risk my life for America, but not General Motors." An economic espionage program could also have a corrupting influence on the U.S. intelligence community, as officials might be enticed by bribes from companies seeking particularly useful information. Likewise, American companies are nervous about getting entangled with the intelligence world and the strings that are likely to be attached to any such program. Rather than wanting to imitate its competitors, corporate America seeks a level playing field and protection from industrial thieves.

The goal of the United States should be a world in which governments do not try to outspend one another on stealing each other's corporate secrets. But that goal cannot be reached until the United States decides to grow up and face down the threat. Ignoring economic espionage will not make it go away. ☹

Essays



DE ANGELIS/CARTOONISTS & WRITERS SYNDICATE

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Foreign Policy as Social Work

Michael Mandelbaum

THE CLINTON RECORD

THE SEMINAL events of the foreign policy of the Clinton administration were three failed military interventions in its first nine months in office: the announced intention, then failure, to lift the arms embargo against Bosnia's Muslims and bomb the Bosnian Serbs in May 1993; the deaths of 18 U.S. Army rangers at the hands of a mob in Mogadishu, Somalia, on October 3; and the turning back of a ship carrying military trainers in response to demonstrations in Port-au-Prince, Haiti, on October 12. Together they set the tone and established much of the agenda of the foreign policy of the United States from 1993 through 1995.

These failed interventions expressed the view of the worldwide role of the United States that the members of the Clinton foreign policy team brought to office. Their distinctive vision of post-Cold War American foreign policy failed because it did not command public support. Much of the administration's first year was given over to making that painful discovery. Much of the next two years was devoted to coping with the consequences of the failures of that first year.

Bosnia, Somalia, and Haiti were not, as the administration claimed, problems it had inherited. The Bush administration had sent troops to Somalia for the limited purpose of distributing food

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and not, as the Clinton administration's ambassador to the United Nations, Madeleine Albright, put it, "for the restoration of an entire country."¹ As for Bosnia and Haiti, during the 1992 presidential campaign Clinton promised to change the Bush policies by using air power to stop ethnic cleansing in the Balkans and by discontinuing the repatriation of Haitian refugees fleeing to the United States.

The Clinton campaign promises, however, cannot be properly understood merely as tactical maneuvers designed to secure electoral advantage. Although they certainly were that, they also reflected the convictions of W. Anthony Lake, the campaign's foreign policy coordinator who became President Clinton's national security adviser. The campaign commitments may have been expedient, but they were not cynical. Nor were they challenged by Warren Christopher, who became the secretary of state, the office from which American foreign policy has generally been directed.

The abortive interventions shared several features. Each involved small, poor, weak countries far from the crucial centers that had dominated American foreign policy during the Cold War. Whereas previous administrations had been concerned with the powerful and potentially dangerous members of the international community, which constitute its core, the Clinton administration turned its attention to the international periphery.

In these peripheral areas the administration was preoccupied not with relations with neighboring countries, the usual subject of foreign policy, but rather with the social, political, and economic conditions within borders. It aimed to relieve the suffering caused by ethnic cleansing in Bosnia, starvation in Somalia, and oppression in Haiti. Historically the foreign policy of the United States has centered on American interests, defined as developments that could affect the lives of American citizens. Nothing that occurred in these three countries fit that criterion. Instead, the Clinton interventions were intended to promote American values.

Lake characterized this approach, incorrectly, as "pragmatic neo-Wilsonianism." While Woodrow Wilson, like Bill Clinton, favored

¹ Paul Lewis, "U.N. Will Increase Troops in Somalia," *The New York Times*, March 27, 1993, p. 3.

the spread of democracy, so has every other president since the founding of the republic. While Wilson sought to promote democracy in Europe to prevent a repetition of World War I, the absence of democracy in Bosnia, Somalia, and Haiti was not going to lead to World War III. And while Wilson had a formula for spreading democracy—the establishment of sovereign states on the basis of national self-determination—that principle was precisely what the Clinton administration was determined to prevent the Serbs from applying in the Balkans.

Lake himself supplied a better analogy. “I think Mother Teresa and Ronald Reagan were both trying to do the same thing,” he said in suggesting that the Clinton foreign policy encompassed both, “one helping the helpless, one fighting the Evil Empire.”² In fact, they

Applying the standards
of Mother Teresa to
U.S. foreign policy is an
expensive proposition.

were trying to do different things. Reagan conducted a traditional foreign policy with a strong ideological overlay. He was in the business of pursuing the national interest of the United States as he understood it. Mother Teresa, by contrast, is in the business of saving lives, which is what Lake and his colleagues tried in 1993 to make the cornerstone of American foreign policy. They tried, and failed, to turn American foreign policy into a branch of social work.

While Mother Teresa is an admirable person and social work a noble profession, conducting American foreign policy by her example is an expensive proposition. The world is a big place filled with distressed people, all of whom, by these lights, have a claim to American attention. Putting an end to the suffering in Bosnia, Somalia, and Haiti would have involved addressing its causes, which would have meant deep, protracted, and costly engagement in the tangled political life of each country.

When the time came to carry out the commitment to do so at the risk of American lives, the president balked. He refused to bomb in Bosnia, withdrew U.S. troops from Somalia, and recalled the ship from Haiti, thereby earning a reputation for inconstancy that haunts his presidency. In each case, however, he did not have, nor was he

² Jason DeParle, “The Man Inside Bill Clinton’s Foreign Policy,” *The New York Times Magazine*, August 20, 1995, p. 35.

likely to get, the political support in the United States necessary to rearrange the political and economic lives of the three countries so as to end their misery and uphold American values.

THE COLD WAR DIFFERENCE

THE NEW American foreign policy that surfaced and sank in the first nine months of 1993 was the product of an unusual set of circumstances that created a void: a public and a president less interested in international affairs than at any time in the previous six decades combined with the disappearance of the familiar foreign policy guideposts of the Cold War. Into that void stepped a group of people who, during the Carter administration, had been uncomfortable with and unsuccessful at waging the global conflict with the Soviet Union but who believed they could take the political capital the public had furnished for 40 years to oppose the Soviets and put it to uses they deemed more virtuous.

In this they were wrong. The American public had supported intervention in poor, distant reaches of the Third World during the Cold War, and would no doubt do so again, but only on behalf of traditional American national interests.

This was the great lesson to emerge from the fiascos of Clinton's first year. It can be illustrated by comparing two Caribbean invasions, ten years apart, in which the United States sought to remove an unfriendly government: the Reagan administration's dispatch of forces to Grenada in 1983 and the Clinton administration's efforts to intervene in Haiti in 1993 and 1994. By most criteria Haiti is the more important of the two: larger, closer, a source of refugees, and a country that the United States had occupied from 1915 to 1934. Yet the invasion of Grenada was less controversial.

The reason was that the first invasion was part of the Cold War. The radical Grenadan government was aligned with Cuba, an ally of the Soviet Union, with which the United States was locked in a mortal struggle. The intervention in Grenada could thus be portrayed as an act of self-defense, albeit at several removes, and self-defense is a cause for which Americans have always been willing to sacrifice. The invasion of Haiti could not be presented in that light. Grenada could be seen as affecting American interests. With the end of the Cold War,

Haiti could not. It was the conflict with the Soviet Union that connected the international periphery to American interests.

In the wake of their initial failures, administration officials lamented that the conduct of foreign policy had been easier for their predecessors. This is not true. There has never been a formula for deciding on military intervention, and Cold War presidents had to make that decision with the specter of nuclear conflict with the Soviet Union hovering in the background, an experience the Clinton administration was spared.

But if the decision to intervene was not easier during the Cold War, it was simpler: U.S. presidents did not necessarily know when to use force, but they always knew why—to combat the Soviet Union, its allies, and its clients, and thus defend American interests. The argument for intervention was not always universally persuasive, but it was always plausible. In Bosnia, Somalia, and Haiti in 1993 it was not even plausible.

Lake provided an epitaph for the foreign policy of Mother Teresa, one that captured the motive for its rise and the reason for its demise: “When I wake up every morning and look at the headlines and the stories and the images on television of these conflicts, I want to work to end every conflict, I want to work to save every child out there,” he said. “But neither we nor the international community have the resources nor the mandate to do so.”³

COMEDY, TRAGEDY, AND HAITI

WHILE THE administration withdrew from Somalia, the problems of Haiti and Bosnia lingered on, pieces of unfinished business, reminders of the humiliations of 1993.

In both, the administration followed the same pattern. First it adopted policies that made things worse. Then, in 1994 in Haiti and in 1995 in Bosnia, it finally used force. But the motivation was not, as in 1993, to “help the helpless,” in Lake’s words. Rather it was to bolster the administration’s political standing, which was suffering from the failure

³ Elaine Sciolino, “New U.S. Peacekeeping Policy Deemphasizes Role of the U.N.,” *The New York Times*, May 6, 1994, p. A1.

to resolve these problems. Both interventions achieved a measure of success, but in each case the success was provisional, fragile, and reversible.

In Haiti, the Clinton administration first tried to dislodge the junta led by Brig. Gen. Raoul Cédras by imposing an ever-tighter trade embargo, ultimately cutting off almost all Haitian contact with other countries. The embargo devastated Haiti, destroying its small manufacturing sector and leading to predictions of starvation by the end of 1994. That prospect, combined with the continuing exodus of refugees, the insistence of the Congressional Black Caucus that the elected

Haitian president Jean-Bertrand Aristide be restored to power, and a hunger strike protesting the failure to do this by American political activist Randall Robinson, persuaded the administration to use force. Finally, in October 1994, troops from the United States landed in Haiti, the junta's leaders departed, and Aristide returned.

The triumph, however, was conditional. For the administration had promised not simply to return Aristide but to restore (or, to put it more accurately, create) democracy and help the country lift itself out of destitution, which required the establishment of a stable political system, the rule of law, and a freely functioning market economy.

Because Haiti lacked all three, the administration's goals could not be accomplished overnight. To give Haiti a chance to reach them required a substantial American commitment. This the Clinton administration was not able to give. The stay of the American and U.N. troops was to be short, ending in February 1996. Their mission was limited; they did not make a serious effort to disarm the country. Financial aid would not be long-term.

All this reduced the capacity of the United States to help ensure that Aristide would leave office, as he promised, in February 1996, that an orderly democratic succession would take place, and that economic reforms would be carried out. At the end of 1995, therefore, Haiti's long-term prospects for democracy and prosperity were uncertain.

The administration lacked leverage in Haiti because it lacked political support in the United States. The American public was opposed to the dispatch of troops. The president did not ask for congressional

In Haiti and Bosnia,
U.S. force was used to
bolster Clinton's
political standing.

approval of the operation because he would not have received it. Economic assistance to the country was unpopular with the Republican congressional majority.

The weakness of the administration's political position was demonstrated by the unusual role accorded former President Jimmy Carter. Along with retired General Colin Powell and Senator Sam Nunn (D-Ga.), he negotiated an agreement with the Haitian junta for U.S. troops to enter the country peacefully and for the junta to leave. Carter's function was to negotiate terms and make concessions that the Clinton administration, because of its political weakness, found it impolitic to make publicly.

The Clinton administration tried to make a case for invading Haiti, falling back on the kinds of arguments that had justified the use of force during the Cold War. J. Brian Atwood, the director of the U.S. Agency for International Development, attempted to connect autocratic rule in Haiti with American interests by asserting that it was "an assault on the progress toward democracy that has been made throughout the hemisphere."⁴

The argument was inappropriate in a way that was both comic and tragic: comic because it was ludicrous to contend that the fate of a small, impoverished half of a Caribbean island would affect Mexico, Argentina, or Brazil, tragic in that it was precisely because Haiti was so isolated that its political and economic conditions had become—had been allowed to become—so miserable.

That appeal to national interest failed because the United States had no interest in Haiti. Haiti was, however, one place where an appeal to values might have generated support. Because it was nearby, poor, weak, had once been occupied by the United States, and was populated by descendants of African slaves, the United States had reason to be concerned about its fate. A serious effort to put Haiti on a path toward decent politics and rational economics could have been presented as a good deed in the neighborhood at manageable cost and justified by the fact that America is a rich, powerful, and generous country. The Clinton administration, however, did not try to make that case.

⁴ J. Brian Atwood, "On the Right Path in Haiti," *The Washington Post*, October 14, 1994, p. A27.

THE EXIT IS THE STRATEGY

BOSNIA WAS more complicated than Haiti because it involved relations with America's European allies, Britain and France, with whom for 30 months the Clinton administration was at odds. The Europeans deemed the conflict a civil war, to be ended as soon as possible even at the cost of a settlement unfavorable to Bosnia's Muslim government in Sarajevo. They supported the three proposed peace accords of the period: the Vance-Owen Plan of 1993, the Owen-Stoltenberg Plan of 1993, and the Contact Group Plan of 1994. The Clinton administration, in contrast, viewed the war as Serbian aggression against Bosnia. Its goal was justice for the Bosnian government even at the price of prolonging the war. It favored air strikes against the Serbs.

The Americans and the Europeans were each able to veto the policy the other wanted. The United States prevented the implementation of the peace plans; the Europeans blocked all but token bombing. The war dragged on. More and more people were killed or displaced, transatlantic acrimony mounted, and the gap between bellicose pronouncements and timid actions made the Western powers look increasingly inept.

In the summer of 1995 the United States launched a diplomatic initiative in the Balkans. The motive, as it had been with Haiti the previous year, was concern about the damage the war was doing to President Clinton's domestic political standing. The House and Senate voted, against the president's wishes, to end the arms embargo against the former Yugoslavia, but delayed a vote to override the president's veto to give diplomacy a chance. The president would have suffered embarrassment if, as seemed likely, his veto had been overridden. Moreover, the end of the embargo would likely have provoked the withdrawal of the British and French peacekeepers in Bosnia, triggering the dispatch of U.S. troops to the war zone to help extricate them and risking American casualties.

The course of the war turned out to favor American diplomacy. Bosnian Serb ethnic cleansing in eastern Bosnia and military victories by the Croatian army in the west removed the U.N. peacekeepers from easy reach of the Bosnian Serbs—who on occasion had held U.N. troops hostage—paving the way for a compromise between the Amer-

icans and the Europeans. With their peacekeepers no longer at risk, the Europeans consented to a vigorous campaign of bombardment against the Bosnian Serbs in late August and early September of 1995. At the same time, the United States accepted the European preferences on the division of territory between the three contending groups in Bosnia—ethnic cleansing had made different parts of the country more homo-

The Dayton peace settlement all but abandoned principles Clinton had touted.

geneous ethnically—and agreed to the Bosnian Serbs' demand that they be permitted to federate with Serbia, just as the Bosnian Croats had been allowed to federate with Croatia under the terms of the American-brokered Croat-Muslim alliance of the year before. Perhaps because of the American bombing, certainly because of the American

concessions, a cease-fire was achieved, and a conference convened in Dayton, Ohio, in November 1995 that produced a peace settlement.

Where flimsy political support had forced the Clinton administration to compromise on the implementation of its goals in Haiti in 1994, in Bosnia in 1995 political weakness compelled compromise on the goals themselves. Indeed, the principles that the administration had said were at stake in Bosnia were all but abandoned: the settlement rewarded what the administration had termed Serb aggression and ratified the results of ethnic cleansing. The United States negotiated directly with Serbian President Slobodan Milošević, whom the administration had initially considered a war criminal. Bosnia was partitioned along ethnic lines, subverting the principles of undiluted sovereignty and ethnic pluralism that members of the Clinton administration had insisted, in 1993 and 1994, were inviolable.

The single indisputable American accomplishment in the Balkans between 1993 and 1995 was to assist Croatia in gaining control of some additional territory in Bosnia and all the territory it had included as a Yugoslav republic. This, however, was hardly a victory for American values. The Croats had practiced ethnic cleansing on a scale comparable to the Bosnian Serbs and were just as ardent about ethnic homogeneity and intolerance of Muslims. The federation between Croats and Muslims in Bosnia that the United States had brokered in 1994 was a partition between the two groups in all but name.

Prior to the Dayton negotiations, the administration had promised to send as many as 25,000 American troops to Bosnia as part of a peace settlement, and, as it had with the invasion of Haiti, struggled to find a rationale for this. As with Haiti, interests were said to be at stake, specifically the interest in avoiding a larger conflict. "If war reignites in Bosnia," President Clinton said, "it could spark a much wider conflagration. In 1914, a gunshot in Sarajevo launched the first of two world wars."⁵

The conditions that had led to World War I, however, were absent eight decades later. The assassination of the heir to the Hapsburg throne in 1914 was the occasion for rival great powers to settle their differences by war. There is no such rivalry for the Balkan conflicts of the 1990s to ignite. Indeed, post-Cold War Europe lacks great European military powers to prosecute such a rivalry: Russia is not great, Germany is not military, and the United States is not European. The people of the former Yugoslavia were allowed to fight over its territory precisely because their wars did not pose a threat to the rest of Europe.

The United States, its European allies, and the Soviet Union would not have allowed Yugoslavia to disintegrate during the Cold War, the end of which had made Europe safe for war in the Balkans. Because Bosnia could not plausibly be connected to interests the American public would consider worthy of sacrificing blood and treasure to defend, the support for dispatching American troops to enforce the Dayton accords was bound to be weak. As in Haiti, therefore, the chief purpose of an American expeditionary force in Bosnia would be to leave as soon as possible, with as few casualties as possible, rather than to do whatever was necessary, for as long as necessary, to keep (or make) peace.

At the end of the Cold War, General Powell proposed a set of precepts for the use of force abroad that included the need for both a clear mission and a clear exit strategy. The Clinton interventions in Haiti in 1994 and prospectively in Bosnia in 1996 modified the Powell doctrine by conflating the two: the exit strategy became the mission.

⁵ Bill Clinton, "Why Bosnia Matters to America," *Newsweek*, November 13, 1995, p. 55.

WARD POLITICS, WORLD STAKES

BOSNIA AND Haiti were the centerpieces of American foreign policy in 1994 and 1995, but there were other issues to be addressed. With the rejection in 1993 of the vision it had brought to office, the administration needed some basis for dealing with them. It found such a basis in domestic politics. Clinton administration policy toward much of the world beyond Bosnia, Somalia, and Haiti was made by responding to the concerns and wishes of particular groups in American society.

The pattern is a familiar one for American politicians. With its close attention to Ireland and Israel (Italy was unaccountably omitted), the Clinton administration was pursuing the foreign policy of many a big-city mayor. With its emphasis on securing contracts abroad for American firms, it was conducting the international economic policy common to governors. Such an approach to foreign policy is normal: all presidents have catered to important domestic constituencies. It is natural: foreign policy is a branch of politics, and the president is a professional politician. In the post-Cold War era, without an overarching principle to guide the nation's foreign relations, it is all but inevitable: the promotion of domestic interests is the default strategy of American foreign policy.

Nor is the primacy of domestic considerations in foreign policy necessarily a mistake. Profits for American corporations, jobs for American workers, and a settlement of the long-running conflict in Northern Ireland are all desirable. In its immersion in the Middle East peace process, moreover, the administration was pursuing a goal that transcends the preferences of particular segments of American society and that has thus been central to American diplomacy for two decades.

Making American foreign policy by attending to the wishes of American interest groups did, however, interfere with the pursuit of larger American interests in the cases of Japan, North Korea, and Russia.

The administration placed the reduction of Japan's trade surplus at the center of its policy toward America's most important Asian ally, for a time seeking to establish quotas for Japanese-American trade. Opening Japanese markets is important, and not only for the United States. But the way the administration went about it had unfortunate side effects. It ran counter to the principles of free trade, of which the

United States had long been the global champion and on which the world's trading system is based. It contributed to the false impression in the United States that the American trade deficit was due mainly to Japanese protectionism rather than to imbalances in the domestic American economy. And it left the related misimpression that the object of trade policy must be a trade surplus, a proposition dubious in theory and, as a universal principle, impossible to achieve.

Putting relations with Japan on this basis also hampered the administration in dealing with North Korea's nuclear program. This was a genuine threat to American interests and a problem that actually was inherited from the Bush administration. In 1994 the administration put together, again with the participation of former President Carter, what amounted to a standstill agreement with the communist government in Pyongyang. The accord was flawed, providing no way to determine whether North Korea had already diverted spent fuel to bomb-making. It was, however, defensible, freezing the most dangerous parts of the North Korean nuclear program and avoiding, or at least postponing, a military confrontation.

The optimal approach, however, would have been to assemble a coalition of the United States and North Korea's two most important neighbors, Japan and China, to exert pressure on the communist regime to give up its nuclear program. That would have involved intensive consultations with Tokyo and Beijing, which Secretary of State Christopher never undertook, and giving priority in America's East Asian policy to opposing nuclear proliferation rather than to the aims that the Clinton administration, responding to domestic constituencies, chose to emphasize: the trade imbalance with Japan and human rights violations in China.

Finally, the administration's cultivation of domestic groups distorted its policy toward the nation's most important international commitment, NATO, and toward Russia. In the first weeks of 1994, having earlier rejected the idea, President Clinton declared that NATO would extend membership to the nations of Central Europe. A principal reason, according to press accounts, was to win favor

In policy toward Japan, North Korea, and Russia, special interest groups prevailed.

with American voters of Central European descent.⁶

The sudden announcement annoyed the Western European members of NATO, who had just agreed to a more modest change known as the Partnership for Peace. It infuriated the Russians, especially Russian democrats, who believed that it was based on the assumption—which was indeed widely shared among its proponents in Central Europe and the West—that its democratic experiment would inevitably fail and Russia would revert to threatening its neighbors. The Clinton administration, however, had adopted policies based on the opposite view, committing itself to the success of Russian democracy. NATO expansion, therefore, not only jeopardized the American interest in the peaceful integration of Russia into Europe and the international community, it also contradicted Clinton's own Russia policy.

NATIONAL INTERESTS

IN JAPAN, Korea, and Russia, the American stakes were larger than, and different from, the preferences of particular American interest groups. The United States continues to have national interests, although they can no longer be expressed simply as opposition to the Soviet Union. Perhaps the most important task the Clinton administration faced as it entered office was to state these interests in a way that would guide the foreign policy bureaucracy, inform the international community, and persuade the American public. Although senior officials gave occasional speeches, and some of the policies the administration carried out were compatible with the nation's central purposes in the post-Cold War world, it never offered a clear, persuasive account of just what those purposes are, sometimes even denying that such an account is possible.

It is possible, and it begins with the maintenance of an American military presence in Europe and in the Asia-Pacific region. The goal has changed. During the Cold War the mission of American forces abroad was to deter the Soviet Union. Today it is to reassure all countries in both regions that there will be no sudden change in the military balance. This is especially important for Germany and Japan.

⁶ See, for example, Rick Atkinson and John Pomfret, "East Looks to NATO to Forge Links to West," *The Washington Post*, July 6, 1995, p. A1.

Without the assurance of American protection, they might feel the need for stronger military forces, ultimately including nuclear weapons. The suspicion that the two might adopt such policies would alarm their neighbors, who would feel the need to adopt military policies that would, in turn, alarm Germany and Japan. American forces serve as a barrier to such dangerous chain reactions. It is therefore important to keep some of them in place.

The United States does have a major security interest on the periphery of the international system: preventing the spread of nuclear weapons. A North Korean nuclear arsenal would upset the balance of power in East Asia; a bomb in the hands of Iraqi dictator Saddam Hussein would jeopardize American interests in the Middle East and Europe. A campaign against nuclear proliferation is a complicated, open-ended task that requires extensive international cooperation. The United States is the indispensable leader of that campaign.

A third principal post-Cold War purpose of American foreign policy, the one the administration best promoted and explained despite its neomercantilist initiatives toward Japan, is trade. It engineered the passage of the General Agreement on Tariffs and Trade and the North American Free Trade Agreement, both of which expanded the international trading system that has contributed mightily to global economic growth for five decades.

Trade was related to another policy the Clinton administration intermittently practiced, one that lent coherence to a seemingly disparate set of initiatives and provided a justification for the most controversial of them. American economic engagement for the promotion of liberal economic policies that would create wealth and expand freedom was a common feature of the Clinton administration's decision to grant normal trading status to China, economic assistance to Russia, and diplomatic recognition to Vietnam.

During the Cold War, each of these countries posed a threat to American interests. Reducing their power through economic isolation was then the proper policy. With the end of the Cold War, American policy could safely and appropriately be reoriented toward promoting freer domestic politics. Market reforms in China, Russia, and Vietnam have had that effect. This rationale justifies a policy of economic engagement with them and with Cuba in the event of real

market reforms there, but not with Iran or Iraq, whose governments continue to threaten American interests.

THE FOREIGN POLICY PRESIDENT

AFTER THREE years the Clinton administration had not articulated a clear foreign policy doctrine for the post-Cold War world, but it had compiled a foreign policy record. How good was it?

During the Cold War, the yardstick was straightforward: how well the nation was doing in the worldwide struggle against the Soviet Union. In the wake of the Cold War, three different criteria for judgment are available: the one important to the Clinton foreign policy team, the one important to the country, and the one of most immediate importance to President Clinton himself.

By the standards of Mother Teresa, the Clinton foreign policy could claim modest success. At the end of 1995 Haitians and Bosnians were better off, or at least less likely to be killed, than had been the case 15 months earlier. (Of the administration's three abortive interventions in 1993, the one in which the United States may have accomplished the most was Somalia, where, by some estimates, American intervention saved half a million lives. That had been the aim and was thus partly the achievement of the Bush administration.)

On the other hand, the Clinton team did not succeed in establishing Lake's commitment to "helping the helpless" as the dominant principle of American foreign policy. Meanwhile, political support for the organization it had hoped would be an instrument of its new foreign policy, the United Nations, fell sharply, in part because the administration sought to deflect responsibility for its own failures in Bosnia and Somalia onto the international organization.

The more traditional standard by which the foreign policy of a great power is evaluated is its relations with the most important members of the international system. Here the Clinton performance could not be judged a success. The real legacy of the Bush administration was not Bosnia, Somalia, and Haiti. It was, instead, unprecedentedly good American relations with all the other major centers of power: Western Europe, Japan, China, and Russia. Three years later, those relations were worse in every case.

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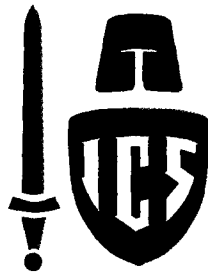
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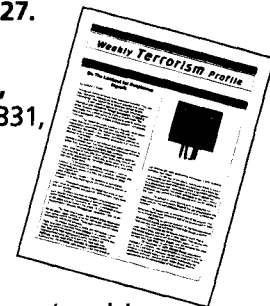
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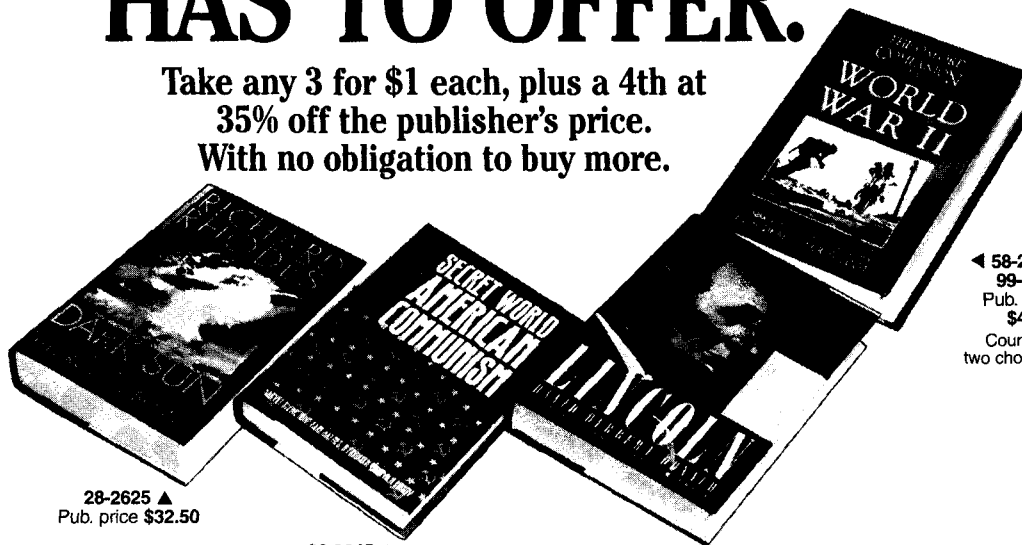
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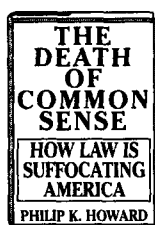


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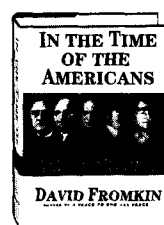
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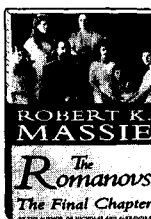
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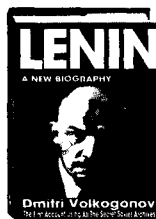
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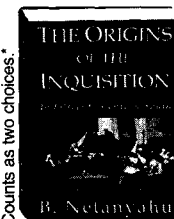
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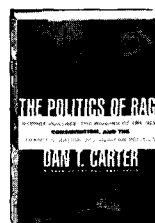
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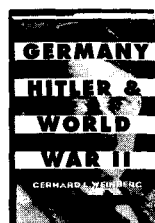
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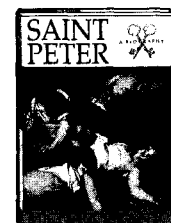
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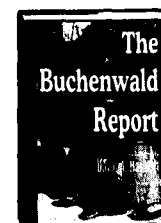
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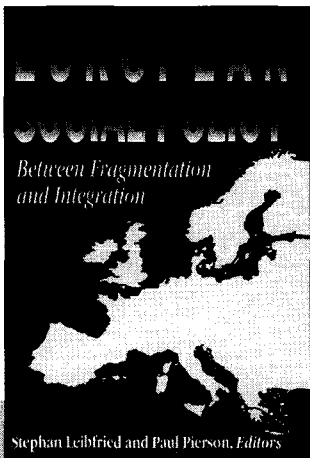
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This is not, in and of itself, an indictment. The purpose of foreign policy is not to cultivate good relations with other countries under any circumstances. It is, rather, to maintain the best possible relations consistent with the nation's interests. Sometimes it is necessary to sacrifice goodwill for the sake of more important goals. But the Clinton administration alienated others to no good effect. The political capital it expended brought nothing in return.

The acrimony with the Western Europeans over Bosnia made no contribution to the defense of the values the administration had said were at stake there. The friction with Japan did not have an appreciable effect on the trade balance between the two countries. The offense given to Beijing by the inconsistent approach to linking trade to human rights and by the decision to admit Taiwan's President Lee Teng-hui to the United States after assuring China's foreign minister that this would not occur, did nothing for the cause of human rights in China or Taiwan's security.

The relationship with Russia deserves special mention. Much of what the administration did turned out well, or at least not badly. American economic assistance gave a boost to extensive privatization in Russia. While tacit support for Boris Yeltsin during his confrontation with members of the Russian parliament in October 1993 cost the United States some goodwill among the Russian public, had Yeltsin's adversaries prevailed the damage to American interests would have been worse. Belatedly, the administration recognized the importance of preserving an independent Ukraine and protecting and implementing the arms treaties negotiated by its predecessors: the two Strategic Arms Reduction Treaties and the accord on Conventional Forces in Europe.

Between the beginning of 1993 and the end of 1995, relations with Russia deteriorated sharply, but this was largely unavoidable, the result of Russians' delayed anger at their reduced international status and economic disintegration. However, the clumsy exclusion of Moscow from much of the diplomacy surrounding Bosnia and the commitment to expand NATO made the inevitable deterioration unnecessarily worse.

NATO expansion had the potential to alienate Russia from the post-Cold War settlement in Europe and make the goal of overturning

Clinton's foreign policy
alienated countries to
no good effect.

that settlement central to Russian foreign policy, even as the infamous Clause 231 of the Versailles Treaty, assigning guilt for World War I to Germany, helped set the Germans on the course that led to World War II. In that worst case, the Clinton policy would rank with America's two greatest twentieth-century foreign policy blunders: the failure to remain politically engaged in Europe after World War I and the Vietnam war.

Still, at the end of 1995, while relations with the major centers of power were worse than they had been when the Clinton administration took office, they were not catastrophically or irretrievably worse. That meant that in 1996, for the president and the country, the immediate test of the Clinton foreign policy would be its impact on his prospects for reelection.

Polls consistently showed that the administration's foreign policy performance was held in low esteem by the American public. The same polls showed that, in the public's ranking of issues important to the country, those having to do with foreign policy were consistently at the bottom. Nonetheless, foreign policy was likely to be part of the 1996 election in a way unhelpful to the president.

Clinton's political difficulties, as he entered the election season, could be divided into two parts. On the ideological spectrum he had drifted too far to the left for many voters during his first two years. A gifted, energetic politician, he subsequently devoted himself to moving nearer to the center. But another problem afflicted him: doubt about whether he measured up to the job of chief executive and commander in chief. The conduct of foreign policy was only one part of this problem, but it was likely to prove more convenient as a metaphor for issues of character and leadership than the details of his personal life.

In this sector of the political battlefield, therefore, his early vacillation on military intervention, his dispatch of troops abroad without political support at home, his failure to spell out a clear set of priorities for post-Cold War American foreign policy, his visible discomfort in dealing with international issues, and his choice of senior foreign policy officials who proved unable to establish their authority either at home or abroad, were likely to come back to haunt him. As election day approached, his political opponents would have every reason to portray Bill Clinton as what he had never wanted to be and had gone to great lengths to avoid becoming: a foreign policy president. 🌐

Pivotal States and U.S. Strategy

Robert S. Chase, Emily B. Hill, and Paul Kennedy

THE NEW DOMINOES

HALF A DECADE after the collapse of the Soviet Union, American policymakers and intellectuals are still seeking new principles on which to base national strategy. The current debate over the future of the international order—including predictions of the “end of history,” a “clash of civilizations,” a “coming anarchy,” or a “borderless world”—has failed to generate agreement on what shape U.S. policy should take. However, a single overarching framework may be inappropriate for understanding today’s disorderly and decentralized world. America’s security no longer hangs on the success or failure of containing communism. The challenges are more diffuse and numerous. As a priority, the United States must manage its delicate relationships with Europe, Japan, Russia, and China, the other major players in world affairs. However, America’s national interest also requires stability in important parts of the developing world. Despite congressional pressure to reduce or eliminate overseas assistance, it is vital that America focus its efforts on a small number of countries whose fate is uncertain and whose future will profoundly affect their surrounding regions. These are the pivotal states.

The idea of a pivotal state—a hot spot that could not only determine the fate of its region but also affect international stability—has a distinguished pedigree reaching back to the British geographer Sir

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Halford Mackinder in the 1900s and earlier. The classic example of a pivotal state throughout the nineteenth century was Turkey, the epicenter of the so-called Eastern Question; because of Turkey's strategic position, the disintegration of the Ottoman Empire posed a perennial problem for British and Russian policymakers.

Twentieth-century American policymakers employed their own version of a pivotal states theory. Statesmen from Eisenhower and Acheson to Nixon and Kissinger continually referred to a country succumbing to communism as a potential "rotten apple in a barrel" or a "falling domino." Although the domino theory was never sufficiently discriminative—it worsened America's strategic overextension—its core was about supporting pivotal states to prevent their fall to communism and the consequent fall of neighboring states.

Because the U.S. obsession with faltering dominoes led to questionable policies from Vietnam to El Salvador, the theory now has a bad reputation. But the idea itself—that of identifying specific countries as more important than others, for both regional stability and American interests—is sensible. The United States should adopt a discriminative policy toward the developing world, concentrating its energies on pivotal states rather than spreading its attention and resources over the globe.

Indeed, the domino theory may now fit U.S. strategic needs better than it did during the Cold War. The new dominoes, or pivotal states, no longer need assistance against an external threat from a hostile political system; rather, the danger is that they will fall prey to internal disorder. A decade ago, when the main threat to American interests in the developing world was the possibility that nations would align with the Soviets, the United States faced a clear-cut enemy. This enemy captured the American imagination in a way that impending disorder does not. Yet chaos and instability may prove a greater and more insidious threat to American interests than communism ever was. With its migratory outflows, increasing conflict due to the breakdown of political structures, and disruptions in trade patterns, chaos undoubtedly affects bordering states. Reacting with interventionist measures only after a crisis in one state threatens an important region is simply too late. Further, Congress and the American public would likely not accept such actions, grave

though the consequences might be to U.S. interests. Preventive assistance to pivotal states to reduce the chance of collapse would better serve American interests.

A strategy of rigorously discriminate assistance to the developing world would benefit American foreign policy in a number of ways. First, as the world's richest nation, with vast overseas holdings and the most to lose from global instability, the United States needs a conservative strategy. Like the British Empire in the nineteenth and early twentieth centuries, the interests of the United States lie in the status quo. Such a strategy places the highest importance on relations with the other great powers: decisions about the expansion of NATO or preserving amicable relations with Russia, China, Japan, and the major European powers must remain primary. The United States must also safeguard several special allies, such as Saudi Arabia, Kuwait, South Korea, and Israel, for strategic and domestic political reasons.

Second, a pivotal states policy would help U.S. policymakers deal with what Sir Michael Howard, in another context, nicely described as "the heavy and ominous breathing of a parsimonious and pacific electorate." American policymakers, themselves less and less willing to contemplate foreign obligations, are acutely aware that the public is extremely cautious about and even hostile toward overseas engagements. While the American public may not reject all such commitments, it does resist intervention in areas that appear peripheral to U.S. interests. A majority also believes, without knowing the relatively small percentages involved, that foreign aid is a major drain on the federal budget and often wasted through fraud, duplication, and high operating costs. Few U.S. politicians are willing to risk unpopularity by contesting such opinions, and many Republican critics have played to this mood by attacking government policies that imply commitments abroad. Statesmen responsible for outlining U.S. foreign policy might have a better chance of persuading a majority of Congress and the American public that a policy of selective engagement is both necessary and feasible.

Finally, a pivotal states strategy might help bridge the conceptual

The United States
has the most to lose;
thus, its interests lie
in the status quo.

and political divide in the national debate between “old” and “new” security issues. The mainstream in policy circles still considers new security issues peripheral; conversely, those who focus on migration, overpopulation, or environmental degradation resist the realist emphasis on power and military and political security.

In truth, neither the old nor the new approach will suffice. The traditional realist stress on military and political security is simply inadequate—it does not pay sufficient attention to the new threats to American national interests. The threats to the pivotal states are not communism or aggression but rather overpopulation, migration, environmental degradation, ethnic conflict, and economic instability, all phenomena that traditional security forces find hard to address. The “dirty” industrialization of the developing world, unchecked population growth and attendant migratory pressures, the rise of powerful drug cartels, the flow of illegal arms, the eruption of ethnic conflict, the flourishing of terrorist groups, the spread of deadly new viruses, and turbulence in emerging markets—a laundry list of newer problems—must also concern Americans, if only because their spillover effects can hurt U.S. interests.

Yet the new interpretation of security, with its emphasis on holistic and global issues, is also inadequate. Those who point to such new threats to international stability often place secondary importance (if that) on U.S. interests; indeed, they are usually opposed to invoking the national interest to further their cause. For example, those who criticized the Clinton administration in the summer of 1994 for not becoming more engaged in the Rwandan crisis paid little attention to the relative insignificance of Rwanda’s stability for American interests. The universal approach common to many advocates of global environmental protection or human rights, commendable in principle, does not discriminate between human rights abuses in Haiti, where proximity and internal instability made intervention possible and even necessary, and similar abuses in Somalia, where the United States had few concrete interests.

Furthermore, the new security approach cannot make a compelling case to the American public for an internationalist foreign policy. The public does not sense the danger in environmental and demographic pressures that erode stability over an extended period,

even if current policies, or lack thereof, make this erosion inexorable and at some point irreversible. Finally, the global nature of the new security threats makes it tempting to downplay national governments as a means to achieving solutions.

A pivotal states strategy, in contrast, would encourage integration of new security issues into a traditional, state-centered framework and lend greater clarity to the making of foreign policy. This integration may make some long-term consequences of the new security threats more tangible and manageable. And it would confirm the importance of working chiefly through state governments to ensure stability while addressing the new security issues that make these states pivotal.

HOW TO IDENTIFY A PIVOT

ACCORDING TO which criteria should the pivotal states be selected? A large population and an important geographical location are two requirements. Economic potential is also critical, as recognized by the U.S. Commerce Department's recent identification of the "big emerging markets" that offer the most promise to American business. Physical size is a necessary but not sufficient condition: Zaire comprises an extensive tract, but its fate is not vital to the United States.

What really defines a pivotal states is its capacity to affect regional and international stability. A pivotal state is so important regionally that its collapse would spell transboundary mayhem: migration, communal violence, pollution, disease, and so on. A pivotal state's steady economic progress and stability, on the other hand, would bolster its region's economic vitality and political soundness and benefit American trade and investment.

For the present, the following should be considered pivotal states: Mexico and Brazil; Algeria, Egypt, and South Africa; Turkey; India and Pakistan; and Indonesia. These states' prospects vary widely. India's potential for success, for example, is considerably greater than Algeria's; Egypt's potential for chaos is greater than Brazil's. But all face a precarious future, and their success or failure will powerfully influence the future of the surrounding areas and affect American interests. This theory of pivotal states must not become a mantra, as the domino theory did, and the list of states could change. But the con-

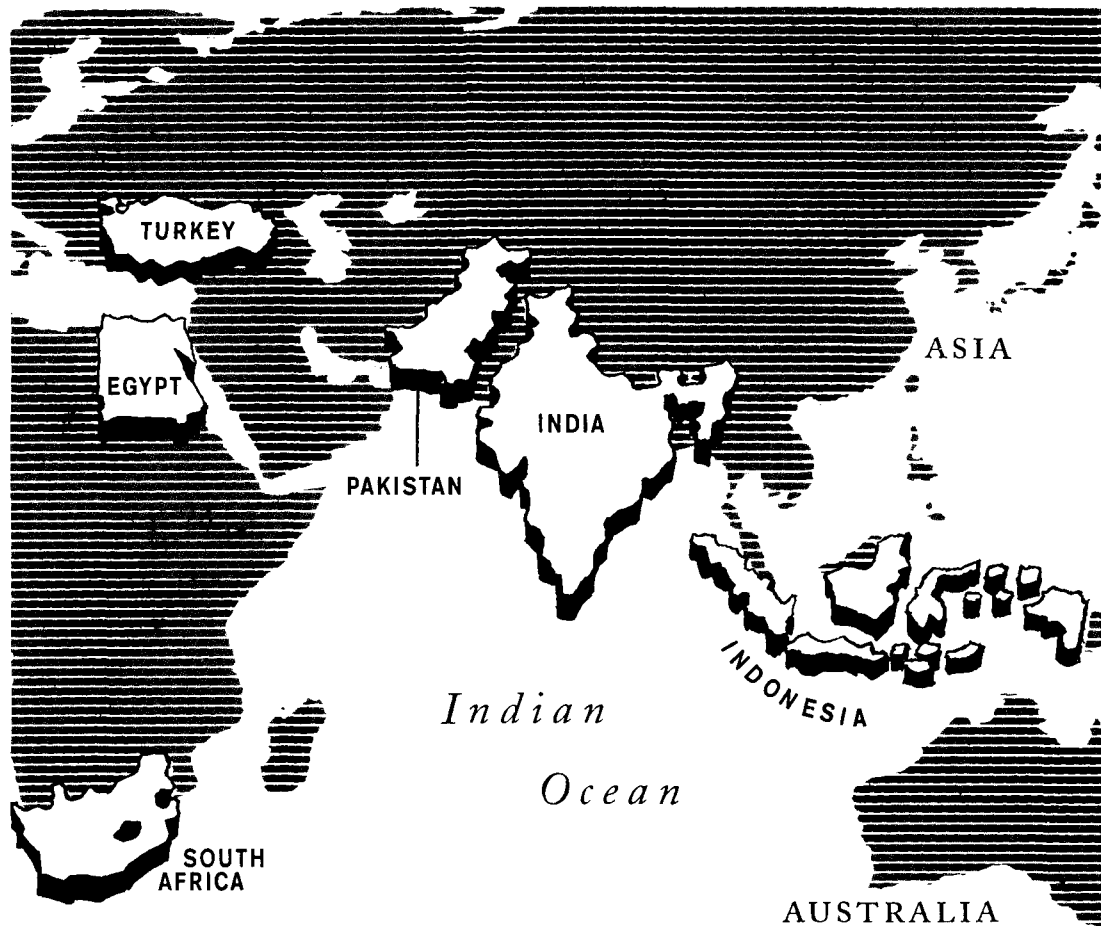


cept itself can provide a necessary and useful framework for devising American strategy toward the developing world.

A WORLD TURNING ON PIVOTS

TO UNDERSTAND this idea in concrete terms, consider the Mexican crisis a year ago. Mexico's modernization has created strains between the central and local governments and difficulties with the unions and the poorest groups in the countryside, and it has damaged the environment. Like the other pivotal states, Mexico is delicately balanced between progress and turmoil.

Given the publicity and political debate surrounding the Clinton



Ib Ohlsson for FOREIGN AFFAIRS

administration's rescue plan for Mexico, most Americans probably understood that their southern neighbor is special, even if they were disturbed by the means employed to rescue it. A collapse of the peso and the consequent ruin of the Mexican economy would have weakened the U.S. dollar, hurt exports, and caused convulsions throughout Latin America's Southern Cone Common Market and other emerging markets. Dramatically illustrating the potency of new security threats to the United States, economic devastation in Mexico would have increased the northward flow of illegal immigrants and further strained the United States' overstretched educational and social services. Violent social chaos in Mexico could spill over into this country. As many bankers remarked during the peso

crisis, Mexico's troubles demonstrated the impossibility of separating "there" from "here."

Because of Mexico's proximity and its increasing links with the United States, American policymakers clearly needed to give it special attention. As evidenced by the North American Free Trade Agreement, they have. But other select states also require close American attention.

EGYPT

EGYPT'S LOCATION has historically made its stability and political alignment critical to both regional development and relationships between the great powers. In recent decades, its proximity to important oil regions and its involvement in the Arab-Israeli peace process, which is important for the prosperity of many industrialized countries, has enhanced its contribution to stability in the Middle East and North Africa. Furthermore, the government of President Muhammad Hosni Mubarak has provided a bulwark against perhaps the most significant long-term threat in the region—radical Islamic fundamentalism.

The collapse of the current Egyptian regime might damage American interests more than the Iranian revolution did. The Arab-Israeli peace process, the key plank of U.S. foreign policy in this region for the past 20 years, would suffer serious, perhaps irreparable, harm. An unstable Egypt would undermine the American diplomatic plan of isolating fundamentalist "rogue" states in the region and encourage extremist opposition to governments everywhere from Algeria to Turkey. The fall of the Mubarak government could well lead Saudi Arabia to reevaluate its pro-Western stance. Under such conditions, any replay of Operation Desert Storm or similar military intervention in the Middle East on behalf of friendly countries such as Kuwait or Jordan would be extremely difficult, if not impossible. Finally, the effect on oil and financial markets worldwide could be enormous.

Egypt's future is not only vital, but very uncertain. While some signs point to increasing prosperity and stability—birth rates have declined, the United States recently forgave \$7 billion of debt, and Egypt's international reserves reached \$16 billion in 1995—the preponderance of evidence paints a dimmer picture. Jealously guarding

its power base and wary that further privatization would produce large numbers of resentful former state employees, the government fears losing control over the economy. Growth rates lurch fitfully upward, and although reform has improved most basic economic indicators, it has also widened the gap between rich and poor. Roughly one-third of the population now lives in poverty, up from 20-25 percent in 1990.

A harsh crackdown on fundamentalism has reduced the most serious short-term threat to the Mubarak regime, but a long-term solution may prove more elusive. The government's brutal attack on the fundamentalist movement may ultimately fuel Islam's cause by alienating the professional middle class; such a policy has already greatly strengthened the more moderate Muslim Brotherhood and radicalized the extremist fringe.

Environmental and population problems are growing. Despite the gradually decreasing birthrate, the population is increasing by about one million every nine months, straining the country's natural resources, and is forecast to reach about 94 million by 2025.

Recognizing Egypt's significance and fragility, successive U.S. administrations have made special provisions to maintain its stability. In 1995 Egypt received \$2.4 billion from the U.S. government, making it the second-largest recipient of American assistance, after Israel. That allocation is primarily the result of the Camp David accords and confirms Egypt's continuing importance in U.S. Middle East policy. Current attempts by American isolationists to cut these funds should be strongly resisted. On the other hand, the U.S. government and Congress should seriously consider redirecting American aid. F-16 fighters can do little to help Egypt handle its internal difficulties, but assistance to improve infrastructure, education, and the social fabric would ease the country's troubles.

INDONESIA

WHILE EGYPT's prospects for stability are tenuous, Indonesia's future appears brighter. By exercising considerable control over the population and the economy for the last several decades, Indonesia's authoritarian regime has engineered dramatic economic growth, now

expected to be about 7 percent annually for the rest of the decade. Poverty rates have dropped drastically, and a solid middle class has emerged. At first glance, Indonesia's development has been a startling success. However, the government now confronts strains generated by its own efforts.

Along with incomes, education levels, and health status, Indonesia's population is increasing dramatically. With the fourth-largest population in the world and an extra three million people added each year, the

If Indonesia falls into chaos, it is hard to see its region prospering.

country is projected to reach 260 million inhabitants by 2025. The main island of Java, one of the most densely populated places on earth, can scarcely accommodate the new bodies. In response, the government is forcing many citizens to migrate to other islands.

This resettlement program is the focal point for a host of other tensions concerning human rights and the treatment of minorities. The government's brutal handling of the separatist movement in East Timor continues to hinder its efforts to gain international respect. President Suharto's regime has made a point of cooperating with Chinese entrepreneurs to boost economic expansion, but ethnic differences remain entrenched. Finally, the government's favoring of specific businesses has produced deep-rooted corruption.

Because of the government's tight control, it can maintain stability even while pursuing these questionable approaches to handling its people. However, as a more sophisticated middle class emerges, Indonesians are less willing to accept the existing concentration of economic and political power. These opposing forces, one for continued central control and one for more dispersed political power, will clash when Suharto leaves office, probably after the 1998 elections.

A reasonable scenario for Indonesia would be the election of a government that shares power more broadly, with greater respect for human rights and press freedoms. The new regime would maintain Indonesia's openness to foreign trade and investment, and it would end favoritism toward certain companies. Better educated, better paid, and urbanized for a generation, Indonesians would have fewer children per family. Indonesia would continue its leadership role in the Association of Southeast Asian Nations (ASEAN)

and the Asia-Pacific Economic Cooperation forum (APEC), helping foster regional growth and stability.

The possibility remains, however, that the transfer of power in Jakarta could trigger political and economic instability, as it did in 1965 at the end of President Sukarno's rule. A new regime might find it more difficult to overawe the people while privately profiting from the economy. Elements of the electorate could lash out in frustration. Riots would then jeopardize Indonesia's growth and regional leadership, and by that stage the United States could do nothing more than attempt to rescue its citizens from the chaos.

Instability in Indonesia would affect peace and prosperity across Southeast Asia. Its archipelago stretches across key shipping lanes, its oil and other businesses attract Japanese and U.S. investment, and its stable economic conditions and open trade policies set an example for ASEAN, APEC, and the region as a whole. If Indonesia, as Southeast Asia's fulcrum, falls into chaos, it is hard to envisage the region prospering. It is equally hard to imagine general distress if Indonesia booms economically and maintains political stability.

Despite the difficulty, the United States must have a strategy for encouraging Indonesia's stability. Part of this will involve close cooperation with Japan, which is by far the largest donor to Indonesian development. A more sensitive aspect of the strategy will be encouraging the regime to respect human rights and ethnic differences. The strategy also calls for calibrated pressure on Indonesia to decrease its widespread corruption, which in any case is required to achieve the country's full integration into the international business world.

BRAZIL

BRAZIL BORDERS every country in South America except Ecuador and Chile, and its physical size, complex society, and huge population of 155 million people are more than enough to qualify it as a pivotal state.

Brazil's economy appears to be recovering from its 1980s crisis, although the indicators for the future are inconsistent. President Fernando Henrique Cardoso's proposals for economic reform, which include deregulation and increased openness to foreign investment in key industries, have advanced in Brazil's congress. Many

basic social and economic indexes point to a generally improving quality of life, including the highest industrial growth since the 1970s (6.4 percent in 1994), declining birth and death rates, increasing life expectancy, and an expanding urban infrastructure. In the longer term, however, Brazil must address extreme economic inequality, poor educational standards, and extensive malnutrition. These realities, together with a burgeoning current account deficit and post-peso crisis skittishness, help diminish investor confidence.

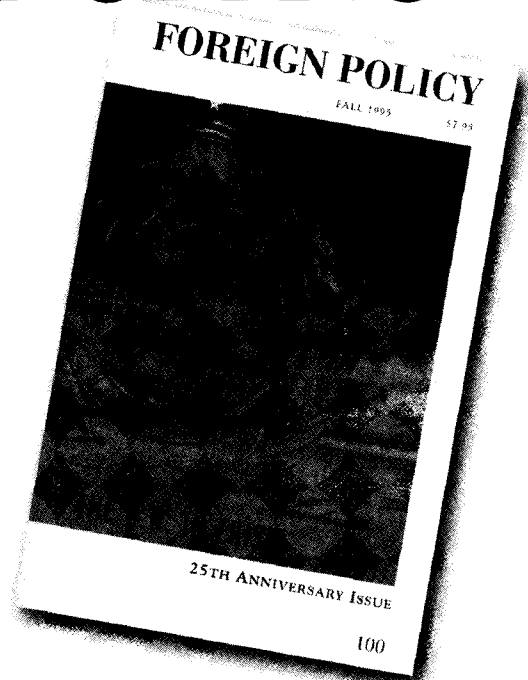
Were Brazil to founder, the consequences from both an environmental and an economic point of view would be grave. The Amazon basin contains the largest tropical rain forest in the world, boasting unequalled biodiversity. Apart from aesthetic regrets about its destruction, the practical consequences are serious. The array of plants and trees in the Amazon is an important source of natural pharmaceuticals; deforestation may also spread diseases as the natural hosts of viruses and bacteria are displaced to other regions.

A social and political collapse would directly affect significant U.S. economic interests and American investors. Brazil's fate is inextricably linked to that of the entire South American region, a region that before its debt and inflation crises in the 1970s bought large amounts of U.S. goods and is now potentially the fastest-growing market for American business over the decades to come. In sum, were Brazil to succeed in stabilizing over the long term, reducing the massive gap between its rich and poor, further opening its markets, and privatizing often inefficient state-run industries, it could be a powerful engine for the regional economy and a stimulus to U.S. prosperity. Were it to fail, Americans would feel the consequences.

SOUTH AFRICA

APARTHEID'S END makes South Africa's transition particularly dramatic. So far, President Nelson Mandela's reconciliation government has set an inspiring example of respect for ethnic differences, good governance, and prudent nurturing of the country's economic potential. In contrast to other conflicts, in which different groups have treated each other with so much acrimony that they could not negotiate, the administration has successfully overcome some of its politi-

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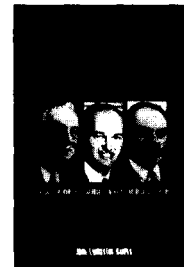
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cal divisions: it includes both former apartheid president Frederik Willem de Klerk and Zulu Chief Mangosuthu Buthelezi. Moreover, South Africa is blessed with a strong infrastructure, a sound currency, and vast natural resources. These assets make its economy larger and more vital than any other on the continent, accounting for a colossal 75 percent of the southern African region's economic output. No longer an international pariah, it is working to develop robust trade and financial links around the region and the globe. A hub for these connections, South Africa could stimulate growth throughout the southern cone of Africa.

There are indications, however, that South Africa could succumb to political instability, ethnic strife, and economic stagnation. Power-sharing at the cabinet level belies deep ethnic divisions. Any one of several fissures could collapse this collaboration, plunging the country into civil war. Afrikaner militias may grow increasingly intransigent, traditional tribal leaders could raise arms against their diminished influence, and when Mandela no longer leads the African National Congress, the party may abandon its commitment to ethnic reconciliation.

As Mandela's government struggles to improve black living standards and soothe ethnic tensions, the legacy of apartheid creates a peculiar dilemma. It will be hard to meet understandable black expectations of equity in wages, education, and health, given the country's budget deficits and unstable tax base. As racial inequalities persist, blacks are likely to grow impatient. Yet if whites feel they are paying a disproportionate share for improved services for blacks, they might flee the country, taking with them the prospects for increased foreign direct investment.

While the primary threats to South Africa's stability are internal, its effectiveness in containing them will have repercussions beyond its borders. Even before apartheid ended, South Africa had enormous influence over the region's political and economic development, from supporting insurgencies throughout the "front-line states" to providing mining jobs for migrant workers from those same countries. If South Africa achieves the economic and political potential within its

South Africa can
show other ethnically
tortured nations the
way to democracy.

grasp, it will be a wellspring of regional political stability and economic growth. If it prospers, it can demonstrate to other ethnically tortured regions a path to stability through democratization, reconciliation, and steadily increasing living standards. Alternatively, if it fails to handle its many challenges, it will suck its neighbors into a whirlpool of self-defeating conflict.

Although controlling the sea-lanes around the Cape of Good Hope would be important, especially if widespread trouble were to erupt in the Middle East, American strategic interests are not otherwise endangered in southern Africa. Yet because South Africa is the United States' largest trading partner in Africa and possesses vast economic potential, its fate would affect American trading and financial interests that have invested there. It would also destabilize key commodity prices, especially in the gold, diamond, and ore markets. More generally, instability in South Africa, as in Brazil and Indonesia, would cast a large shadow over confidence in emerging markets.

American policy toward South Africa should reflect its importance as a pivotal state. While recognizing South Africa's desire to solve its problems without external interference, the United States should promote South Africa's economic and political stability. Of \$10.5 billion in American economic aid given in 1995, a mere one percent (\$135 million) was for South Africa. A strategy that acknowledges this nation's importance to American interests would surely be less parsimonious.

ALGERIA AND TURKEY

ALGERIA's geographical position makes its political future of great concern to American allies in Europe, especially France and Spain. A civil war and the replacement of the present regime by extremists would affect the security of the Mediterranean sea-lanes, international oil and gas markets, and, as in the case of Egypt, the struggle between moderate and radical elements in the Islamic world. All the familiar pressures of rapid population growth and drift to the coastal cities, environmental damage, increasing dependence on food imports, and extremely high youth unemployment are evident. Levels of violence remain high as Algerian government forces struggle to crush the Islamist guerrilla movement.

While a moderate Islamist government might prove less disturbing than the West fears, a bloody civil war or the accession of a radical, anti-Western regime would be very serious. Spain, Italy, and France depend heavily on Algerian oil and gas and would sorely miss their investments, and the resulting turbulence in the energy markets would certainly affect American consumers. The flood of middle-class, secular Algerians attempting to escape the bloodshed and enter France or other parts of southern Europe would further test immigration policies of the European Union (EU). The effects on Algeria's neighbors, Morocco and Tunisia, would be even more severe and encourage radical Islamic elements everywhere. Could Egypt survive if Algeria, Morocco, Tunisia, and Muammar al-Qaddafi's Libya collaborated to achieve fundamentalist goals? Rumors of an Algerian atomic bomb are probably premature, but the collapse of the existing regime would undoubtedly reduce security in the entire western Mediterranean. All the more reason for the United States to buttress the efforts of the International Monetary Fund and for the Europeans to improve Algeria's well-being and encourage a political settlement.

Although Turkey is not as politically or economically fragile as Algeria, its strategic importance may be even greater. At a multifold crossroads between East and West, North and South, Christendom and Islam, Turkey has the potential to influence countries thousands of miles from the Bosphorus. The southeast keystone of NATO during the Cold War and an early (if repeatedly postponed) applicant to enlarged EU membership, Turkey enjoys solid economic growth and middle-class prosperity. However, it also shows many of the difficulties that worry other pivotal states: population and environmental pressures, severe ethnic minority challenges, and the revival of radical Islamic fundamentalism, all of which test the country's young democratic institutions and assumptions. There are also a slew of external problems, ranging from bitter rivalries with Greece over Cyprus, various nearby islands' territorial boundaries, and Macedonia, to the developing quarrel with Syria and Iraq over control of the Euphrates water supply, to delicate relationships with the Muslim-dominated states of Central Asia. A prosperous, democratic, tolerant Turkey is a beacon for the entire region; a Turkey engulfed by civil wars and racial and religious hatreds, or nursing ambitions to inter-

fere abroad, would hurt American interests in innumerable ways and concern everyone from pro-NATO strategists to friends of Israel.

INDIA AND PAKISTAN

CONSIDERED separately, the challenges facing the two great states of South Asia are daunting enough. Each confronts a population surge that is forecast to take Pakistan's total (123 million in 1990) to 276 million by 2025, and India's (853 million in 1990) to a staggering 1.45 billion, thus equaling China's projected population. While such growth taxes rural environments by causing the farming of marginal lands, deforestation, and depletion of water resources, the urban population explosion is even more worrisome. With 46 percent of Pakistan's and 35 percent of India's population under 15 years old, according to 1990 census figures, tens of millions of young people enter the job market each year; the inadequate opportunities for them further strain the social fabric. All this forms an ominous backdrop to rising tensions, as militant Hindus and Muslims, together a full fifth of the population, challenge India's democratic traditions, and Islamic forces stoke nationalist passions across Pakistan.

The shared borders and deep-rooted rivalry of India and Pakistan place these pivotal states in a more precarious position than, for example, Brazil or South Africa. With three wars between them since each gained independence, each continues to arm against the other and quarrel fiercely over Kashmir, Pakistan's potential nuclear capabilities and missile programs, and other issues. This jostling fuels their mutual ethnic-cum-religious fears and could produce another bloody conflict that neither government could control. What effect a full-scale war would have on the Pakistan-China entente is hard to predict, but the impact of such a contest would likely spread from Kashmir into Afghanistan and farther afield, and Pakistan could find support in the Muslim world. For many reasons, and perhaps especially the nuclear weapons stakes, the United States has a vital interest in encouraging South Asia's internal stability and external peace.

Could this short list of important states in the developing and emerging-markets regions of the globe include others? Possibly. This selection of pivotal states is not carved in stone, and new candidates could emerge over the next decades. Having an exact list is less important than initi-

ating a debate over why, from the standpoint of U.S. national interests, some states in the developing world are more important than others.

BETTER WISE THAN WIDE

THE UNITED STATES needs a policy toward the developing world that does not spread American energies, attention, and resources too thinly across the globe, but rejects isolationist calls to write it off. This is a realistic policy, both strategically and politically. Strategically, it would permit the United States, as the country that can make the greatest contribution to world security, to focus on supporting pivotal states. Politically, given the jaundiced view of Americans and their representatives toward overseas engagements, a strategy of discrimination is the strongest argument against an even greater withdrawal from the developing world than is now threatened.

As the above case studies suggest, each pivotal state grapples with an intricate set of interrelated problems. In such an environment, the United States has few clear-cut ways to help pivotal states succeed. Therefore, it must develop a subtle, comprehensive strategy, encompassing all aspects of American interaction with each one. Those strategies should include appropriate focusing of U.S. Agency for International Development assistance, promoting trade and investment, strengthening relationships with the country's leaders, bolstering country-specific intelligence capabilities and foreign service expertise, and coordinating the actions of government agencies that can influence foreign policy. In short, the United States must use all the resources at its disposal to buttress the stability of key states around the globe, working to prevent calamity rather than react to it. Apart from avoiding a great-power war, nothing in foreign policy could be more important.

This focus on the pivotal states inevitably means that developing states not deemed pivotal would receive diminished attention, energy, and resources. This will seem unfair to many, since each of the pivotal states examined above enjoys a higher per capita GDP than extremely poor nations like Mali and Ethiopia. Ideally, U.S. assistance to the entire developing world would significantly increase, but that will not happen soon. A pragmatic refocusing of American aid is better than

nothing at all being given to the developing world, which may happen if the isolationist mood intensifies.

Such a refocusing could improve the American public's confidence that its money can be used effectively abroad. Relative to what other states give for development, the American contribution is declining. By continuing to spread those resources across a broad swath of developing countries, the United States might further diminish the impact

A pragmatic refocusing
of aid is better than no
aid at all.

of its assistance in many countries. In contrast, concentrating on a few pivotal states would increase American influence in them and improve the chances of convincing the public to spend resources overseas.

Current patterns of assistance to developing and emerging countries do not reflect American global security interests and in many cases seem glaringly inconsistent with U.S. strategic priorities. While conceding that by far the largest amounts of American aid will go to Israel and Egypt, is it not curious that India, like South Africa, receives less than one percent of total U.S. assistance? Pakistan receives virtually nothing. Algeria receives nothing. Brazil is given one-fifth of the aid awarded to Bolivia. Turkey gets less than Ethiopia (although, like Egypt, Ankara is given a large amount of military assistance that is hard to explain in the post-Cold War environment). Surely this requires serious examination?

In changing these patterns, diplomatic and political objections will be inevitable. Questions will arise about countries not on the list, particularly when one of them faces a crisis. Some will plead that exceptions be made for states that have been encouraged to undertake internal political changes, like Haiti, El Salvador, and the Philippines. Foreign service professionals will caution against making this strategy part of the declared policy of the United States, for that could indicate likely American reactions in a crisis. The more critics raise these problems, the more controversial this idea will become.

However, the pivotal states strategy merits such a debate, and it is high time for such a policy discussion to begin. As Mackinder pointed out, democracies find it difficult to think strategically in times of peace. All the above-mentioned problems and reservations,

far from weakening the case for helping pivotal states, point to the importance of identifying how better to order U.S. policies in different parts of the world. A debate over pivotal states would also provide a way of checking the extent to which American agencies already carry out a discriminative strategy and the degree to which they recognize that the traditional types of external threats are not the only sources of danger to countries important to U.S. interests.

Would this formula solve all of America's foreign policy challenges? By no means. Priority should always be given to managing relations with the other great powers. In view of the international convulsions of the past 10 years, who would be rash enough to predict American relations with Russia, Japan, and China a decade or more hence and the dire implications if they go badly? Yet even if those countries remain our primary concern, the developing world still needs a place in U.S. global strategy. By identifying pivotal states to Congress and the public and providing the greatest possible support to those countries, this strategy has a greater chance of coherence and predictability than vague and indiscriminate assurances of good will to all developing countries, large and small. America's concern about traditional security threats would then be joined by a heightened awareness of the newer, nonmilitary dangers to important countries in the developing world and the serious repercussions of their collapse. Whichever administration steers the United States into the next century, American priorities would be ordered, and its foreign policy toward the developing world would have a focus—that of supporting those pivotal states whose future affects the fate of much of the planet.🌐

The Exploding Cities of the Developing World

Eugene Linden

VULNERABLE GIANTS

THE RHYTHM of history has been the rise, collapse, and occasional rebirth of cities. Until recently urban populations waxed and waned as disease, changes in trade and technology, and shifting political fortunes rewarded some cities and penalized others. In this century the rhythm has been interrupted in the developing world, where urban populations almost always rise. Lured by the bright lights, or driven from the countryside by political and economic turmoil, population pressures, and ecological breakdown, billions of people have been migrating to the cities.

This influx strains the resources, leadership, and infrastructure of already overburdened countries. Migrants from the desperately poor interior of sub-Saharan Africa continue to come to Kinshasa, Zaire, despite the collapse of its economy and services, which has led to rampant disease and malnutrition and brought the city to the edge of anarchy. Pakistanis pour into Karachi despite factional violence characterized by car bombings and gun battles in the streets. Question marks hang in the polluted air over megacities like Rio de Janeiro, São Paulo, Jakarta, Mexico City, Cairo, Delhi, and Beijing and tens of thousands of smaller cities in Asia, Africa, and Latin America. Many First World cities are also coping with waves of poor newcomers at a time when their tax base is eroding as companies and well-to-do citizens move out, driven away by high costs, crime, and a deteriorating quality of life.

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More and more, the fate of cities determines the fate of nations and regions. Karachi, for instance, accounts for half of government revenues in Pakistan and 20 percent of GDP. It is the country's financial center and only port and has the highest concentration of literate people. Given the ties between Karachi's ethnic groups and powerful tribes elsewhere in the country, if the current factional violence in the city intensifies, unrest could engulf the rest of Pakistan's well-armed populace, perhaps leading to international conflicts and large cross-border movements of people.

With ever-increasing global integration, problems that arise in one city can quickly spread throughout its region and even worldwide. The health of cities in the developed world depends in some measure on developing nations' efforts to control new diseases and drug-resistant strains of old ones incubating in their slums. Moreover, as Earth becomes more and more crowded, how successfully developing world cities absorb continuing migration will have much to do with whether tides of humanity overwhelm nations and regions in years to come. The developed world ignores at its peril the problems of Third World cities.

MISMEASURE OF A METROPOLIS

AT THE turn of the century roughly five percent of the world's people lived in cities with populations over 100,000. Today an estimated 45 percent—slightly more than 2.5 billion people—live in urban centers. In recent years the most explosive growth has been in the developing world. Between 1950 and 1995 the number of cities in the developed world with populations greater than 1 million more than doubled, from 49 to 112; in the same period, million-plus cities in the developing world increased sixfold, from 34 to 213. The United Nations estimates that rural numbers will remain virtually steady while urban populations continue to soar: by 2025, it predicts, more than 5 billion people, or 61 percent of humanity, will be living in cities.

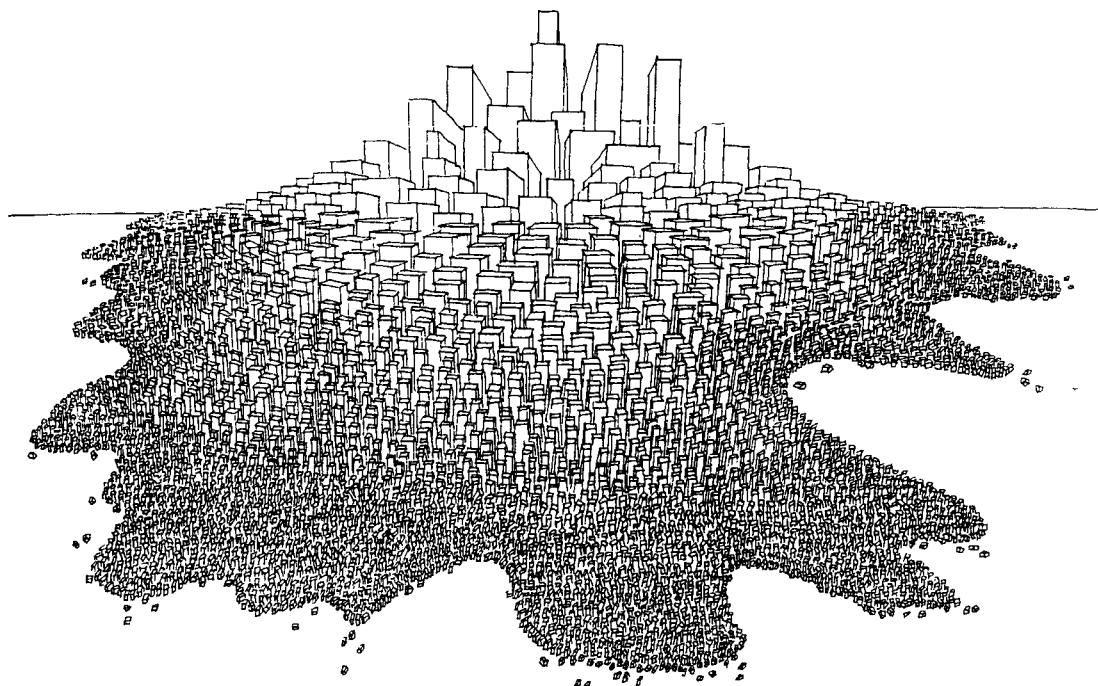
Determining what steps governments might take to lessen the shocks of this coming era of giant cities calls for information not available today. It is difficult, for example, to get a fix on something as elementary as the size of the larger cities. In 1992 some estimates put the population of Mexico City at 20 million. Now the United

Nations sets the number at 15.6 million—a difference bigger than Baghdad. Karachi may have 9.5 million residents, or it may have 12 million; São Paulo, at 16 million, has several million fewer than in earlier estimates. Part of the problem is the uncertainty of census data—where there has been a census at all—in nations that do not have the resources to conduct an efficient count and where squatters and legal residents may have sound reasons for evading the tally.

Migration to the cities is also difficult to analyze or predict. Often it is a product of both the pull of perceived opportunities and services in the metropolis and the push of rural unemployment caused by the mechanization of agriculture, oversubdivision of farmland, and environmental degradation. In China's rural Sichuan province, for example, where the land cannot come close to supporting the people on it, workers are squeezed out to join the country's "floating population" of some 100 million souls.

The conventional wisdom has been that megacities will continue to grow to horrific size. Experience, however, has sometimes proved otherwise, as in Mexico. As economic and political power was consolidated in Mexico City from the 1940s onward, peasants flocked to the capital, drawn by the prospect of jobs and lavishly subsidized transportation, health care, and education. Since the mid-1980s, however, when Mexico began opening its markets, many companies producing for domestic consumption have closed down; the job losses and cutbacks in government spending hit the capital disproportionately, and immigration has moderated in response. What might be called the rising cost of admission, as scarcity of land, water, and other resources drives up prices in the capital, is also having an effect. In recent years Mexicans have followed jobs to secondary cities like Monterrey. Thus U.N. projections for Mexico City's population at century's end have been halved since 1973, from 32 million to 16.4 million, and have been wildly off the mark for other cities, from Rio de Janeiro to Seoul.

The emphasis on megacities, argues David Satterthwaite of the International Institute for Environment and Development in London, is based on misapprehensions about what made them big and diverts attention from the real problems. There are probably 30,000 urban centers in the developing world, he says. "We concentrate on perhaps 100 of them." The fastest-growing cities on the planet, after all, are not the



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giant metropolises but anonymous secondary cities—agglomerations like El Alto, a sprawling collection of 500,000 people in Bolivia that has been expanding nine percent a year with virtually no planning and a haphazard infrastructure. The infant mortality rate in the million-plus Indian city of Kanpur is nearly four times that in Delhi. The second-rank cities must deal with all the problems facing a Karachi or Jakarta without the national attention and international assistance that go to the more visible megacities.

THE DISEASED CITY

THE GENERAL picture of the developing world in the latter half of the twentieth century painted by international institutions is one of tremendous progress in improving health and raising incomes: child mortality has been cut in half and incomes have more than doubled, according to the World Bank. These statistics, however, have been skewed by the tremendous health gains and economic growth of China and the newly industrializing Asian Tigers. Roughly one billion people—more than at any other time in history—live in households too poor to obtain enough food to provide nourishment for

normal work, points out James Gustave Speth, the current head of the U.N. Development Programme. Another two billion live in conditions Speth describes as deplorable. About 1.5 billion poor people now live in cities, and many of them see their prospects dimming and family and community ties dissolving at the same time that assaults on their personal well-being have risen sharply.

Even the greatest and most enduring cities seem vulnerable when one considers the natural, political, and economic upheavals they must contend with. Poverty, unemployment, disease, crime, and pollution have plagued urban centers for 10,000 years, since the earliest cities developed around granaries and armories in Mesopotamia and Anatolia. There is reason to believe, however, that while the individual problems facing cities are not new, an unholy synergy created in the developing world when explosive population growth, industrialization, and capital scarcity meet means dangers on an unprecedented scale.

After the decline of ancient Rome, nearly 1,800 years passed before a city again reached a population of one million, as London did in the nineteenth century. Until then, crowded slums without running water or sewers and inadequate public health procedures allowed microbes to flourish, and epidemics regularly decimated populations. Advances in sanitation and the discovery of antibiotics have given humanity a century's respite from the ravages of infectious disease. But many epidemiologists fear this period is drawing to a close as urban growth outruns the installation of sanitation in the developing world and resilient microbes discover opportunities in the stressed immune systems of the urban poor.

Diseases transmitted by insects are staging a comeback from the ditches and trash heaps of squatter settlements. Mosquito hosts for the larvae of the parasite that causes filariasis can breed in polluted water. *Anopheles stephensi* mosquitoes need cleaner water but find it in open water tanks and the irrigated urban gardens of India and Africa. The malaria they carry is now the leading cause of hospital visits and deaths from infectious disease in Latin America and Africa, according to Carolyn Stephens, an epidemiologist at the London School of Hygiene and Tropical Medicine. The mosquito that transmits dengue has also benefited from urbanization, multiplying in old tires, flowerpots, and water drums.

While diseases vary from city to city, one motif the megacities of

the developing world share is pollution. To live in Mexico City or Delhi is to live in a place where the basic elements of life—air, water, and soil—have become inimical to health. Many of the cities in China have five to ten times the levels of particulates and sulfur dioxide found in the air of First World cities; a recent sampling in Guangzhou revealed concentrations of these pollutants among the highest ever measured anywhere. In Beijing and other Chinese metropolises ordinary people have been driven to riot by pollution ranging from incessant noise to choking clouds of coal dust. In some parts of Poland the land and water have been so poisoned by toxic waste that ten percent of babies are born with birth defects. Inadequate zoning regulations and enforcement, antiquated technologies, corruption, rising consumption, and burgeoning populations all play a part.

Pollution also has a role in the renewed spread of infectious disease. Untreated sewage flowing into the Bay of Bengal off Bangladesh made its way into the bilge tanks of a freighter headed for South America; a relatively new strain of cholera came along for the ride. According to Paul Epstein, an epidemiologist at the Harvard School of Public Health, when the tanker emptied its bilge off Peru, the microbe found a home in algal blooms in the coastal waters that had been nurtured by sewage from Lima. From there the cholera made its way into cities as people ate contaminated shellfish. Since arriving in Latin America in 1991, the disease has struck 320,000 people and killed 2,600.

Stephens' work has shown that poor people in cities die disproportionately from both infectious diseases and chronic illnesses, such as cancer and heart disease, associated with more developed societies. She and others argue that disease, along with pollution, is a symptom of a larger threat to urban dwellers: poverty. Many people endure these risks in the hope that work in the city will pay enough for them to move their families out of harm's way. But as cities continue to swell because of migration and births, workers face crowds of competitors like themselves. Beijing is now home to an estimated one million floating workers in search of jobs. Unemployment rates in scores of African cities top 20 percent and are unlikely to drop soon.

Disease, squalor, hopelessness, stress, and the decline of traditional cultural constraints in the atomized contemporary city conspire to aggravate yet another health hazard: violence. Homicides and

other violence accounted for 86 percent of all deaths among teenage boys in São Paulo in a study Stephens conducted. Karachi, with roughly four million unemployed, many of them teens, has an endless supply of recruits for its ethnic militias and drive-by assassination teams. "You have a lot of people sitting around idly, and a lot of guns," says a World Bank official. "All you need is a little ideology and you can get your own army." The mixture helps fuel the Islamic uprising in Algerian cities and a crime wave in Rio that has driven the middle class into garrisons and encouraged vigilante justice.

Finally, there is war, which, as the stories that have emerged from Monrovia, Mogadishu, and Kigali show, inflicts unique horrors on those trapped in cities that at the best of times have trouble taking care of the injured, the hungry, and the displaced. Even without the stresses of war, the quality of life for the poor has declined to the point where observers who long believed city dwellers had the advantage now recognize that large numbers of impoverished urbanites are worse off than the rural poor.

Violence, disorder, pollution, and disease can ultimately become so severe that authorities abdicate, foreign investors retreat, and a city begins to slide into chaos. Karachi has flirted with this threshold in the past and after a few years of growth may be approaching it again. Kinshasa has long since crossed the line, and its slow contraction shows how a city dies from government corruption and incompetence.

KINSHASA DESCENDING

KINSHASA SHOULD be one of the more prosperous cities in sub-Saharan Africa. It is the capital of a country blessed with vast forests, rich agricultural lands, one of the world's great rivers, and huge reserves of copper, cobalt, manganese, and diamonds (now essentially privatized as a source of cash for the elite). During the Cold War, Zaire received billions in development aid, much of which disappeared, along with the nation's wealth, into the pockets of President Mobutu Sese Seko and his kleptocratic officials. Even so, the capital city of roughly four million people began the decade with an excellent water system, cheap and reliable electricity, and functioning public transportation.



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In September 1991, however, ordinary citizens joined unpaid government troops in rioting and looting, reducing the city to a shambles; roughly \$1 billion in goods changed hands. Foreign workers, many of whom provided critical services for the utilities, fled the city. Over the last three years Kinshasa has seen its formal economy shrink 40 percent. Thousands of government jobs have disappeared, the infrastructure has slowly crumbled, and businesspeople have replaced store windows with concrete facades and steel gates in anticipation of new rounds of civil disorder. Carjackers and gangs of bandits rove the streets. Those lucky enough to have work are paid in a shaky currency. Following rises of 8,500 percent in 1993 and 6,000 percent in 1994, inflation has been cut to three digits, but the economy is still extremely vulnerable. Many people eat only every other day, long-vanquished diseases such as plague are returning, and AIDS, tuberculosis, malaria, sleeping sickness, cholera, and river blindness spread.

What amazes visitors is that the city continues to function at all. Most Kinshasans live by what is facetiously called Article 25 of the constitution—*debrouil-toi*, or getting by on your own. A lively informal economy has sprung up and proved much more efficient than the bloated, corrupt state-owned organizations. People grow crops and raise livestock on every available patch of ground. Families share good fortune and bad. Enterprising traders work the markets. Still, only food from outside donors has prevented outright starvation.

The situation is particularly frustrating because, as one U.S. State Department official put it, "Given the wealth of the nation, it would not take a lot to restore a semblance of order to the economy." The interim government of Prime Minister Kengo wa Dondo has wrested control of the central bank from Indiang Kabul, a Mobutu loyalist, and installed Patrice Djamboleka, a seasoned civil servant, who has imposed some discipline. But hopes for a savior are dim, as Mobutu has entangled most of the nation's best and brightest in his web of corruption. "There are no virgins in Zaire," it is said.

SWOLLEN CITIES, WEAKENED STATES

THE WORLD'S major cities already cast a long shadow, and as they absorb the great majority of those born in the coming decades, their

economic and electoral significance will only grow—along with the danger of conflict as cities protect their interests.

How long, for instance, will China's central government be able to maintain control of booming coastal provinces dominated by industrial cities as the economy opens up and these local units gain clout? With the capitalist genie escaping from the bottle, the central government

More and more, the
fate of cities determines
the fate of nations
and entire regions.

has less and less to offer in return for its claims on productivity. An attempt to reassert central control could cause provinces like Guangdong to break away and declare themselves free economic zones.

Internal migration may also drive coastal cities to break with China. The 100 or 120 million surplus workers in the country gravitate toward cities in search of employment; Vaclav Smil of the University of Manitoba estimates that at any given time China's major urban centers each house between 500,000 and two million recent arrivals. Cities such as Guangzhou, which in 1990 averaged 5.7 people per room (the average in the United States is 0.5), are already too crowded to absorb migrants. Yet the great urban migration has only just begun in China, which is still more than 70 percent rural.

China may be fast approaching other limits. After a tenfold increase in agricultural productivity between 1978 and 1988, there may not be much room for improved yields. Recently the country went from being a net exporter to a net importer of grain. Factors including political turmoil following the death of paramount leader Deng Xiaoping, consolidation of land holdings, or protracted drought could trigger an enormous increase in the already heavy migration to the cities among China's rural population of 800 million. The government has allowed grain prices to jump more than 60 percent over the past year, possibly to boost rural incomes and encourage people to remain on the land. This, however, is a delicate game because higher food prices might inflame the urban poor. Should migration increase, the prosperous cities and provinces might try to close their gates, leaving rural China to cope with millions of desperate unemployed peasants. According to Jack Goldstone, a specialist on revolt and rebellion in China who teaches at the University

of California at Davis, the tensions created by the contrast between coastal prosperity and rural poverty might even tear the country apart. This pattern of population pressures leading to collapse into warlord-led states, Goldstone argues, has bedeviled the region since antiquity.

CITIES OF HOPE?

DESPITE THESE dangers, many economists view China's migrants in a positive light. Urbanization has long been seen as a necessary step in economic development (although studies of Brazil and Mexico have shown that urbanization does not necessarily lead to development). Urban living carries built-in incentives to have smaller families, take mass transportation, recycle garbage, use energy, water, and space carefully, and do other things deemed desirable in a crowded world with limited resources. In fact, the shift to the cities may be a major reason behind the present rapid drop in birthrates throughout the developing world. Concentration in urban areas may well be the only efficient way to house people and still preserve agricultural acreage and wilderness, given inexorable population growth.

But more than anything else, cities are a prism for the genius of civilizations. As Lewis Mumford put it, they are a "symbol of the possible," and this is true in the developing world no less than the developed. Cities are where entrepreneurs hatch their schemes and find the markets and financing to bring them to fruition, where the elites of technology, industry, and the arts meet to brainstorm, and where deep shifts in culture and politics might begin with an unexpected encounter.

Faced with budgetary restraints and capital scarcity, some developing world cities have adopted creative approaches to fundamental problems. Calcutta, Ho Chi Minh City, and Jakarta, for instance, have been experimenting with sewage treatment that uses wetland plants like water hyacinth and duckweed to purify waste naturally. Alternative energy sources such as wind and solar power are getting a much better reception in the developing world than they did in the developed, fossil fuel-based systems having been adjudged expensive, dirty, and a drain on foreign exchange.

Some urban cheerleaders foresee South-to-North technology

transfers as cities in the developed world encounter dilemmas familiar to poorer countries, while confronting a similar scarcity of capital. One possibility is suggested by the Speedy Line, designed to meet mass transit needs in Curitiba, Brazil. Essentially a bus line with loading platforms and dedicated lanes, the Speedy Line achieves speeds and passenger capacity approaching that of a subway system at one-third the cost. Moreover, it can be installed in six months, which means, notes Curitiba's former mayor, Jaime Lerner, "you don't have to waste a generation building a subway." Vancouver and Lyons are among the cities examining the idea's potential.

During the past few years Curitiba, a state capital in a predominantly agricultural region of southern Brazil, has become the poster child for the hopes of the developing world city. Its economy is now based on a healthy mix of manufacturing, services, and commerce. Although its 2.2 million citizens have an average annual income of only about \$2,000, Curitiba offers amenities and services many First World cities fail to deliver. The city has managed to increase open space per capita by a factor of 100 since 1970 even as its population grew by 164 percent; today citizens enjoy nearly four times the open space available to New Yorkers. Curitiba has feeding centers for street children, immaculate public housing, and innovative programs like one in which the poor in neighborhoods beyond the reach of sanitation trucks trade garbage for fresh vegetables. Lerner argues that parks and good public transportation bolster ordinary people's dignity, and says, "If people feel respected, they will assume responsibility to help solve other problems."

What does Curitiba have that other cities don't? Most notably, quality leadership. Lerner and an idealistic team of technocrats with experience in urban planning have guided the city since 1970. When Lerner left office recently, he was the most popular mayor in Brazilian history. Now that he has been elected governor of Parana and a member of his mayoral administration, Rafael Greca, has succeeded him in Curitiba, the city and state may be able to mount a coordinated response to rural-urban migration, the one seemingly intractable problem for this successful city in a poor country.

THE PRECARIOUS FUTURE

CURITIBA, the Indian city of Bangalore, and a few other examples may indicate that the real problem facing poorer cities is not so much population growth or their resource base but a lack of competent leadership and sound regulations and policies that last beyond one administration. But the extreme rarity of success stories in the array of struggling municipalities suggests that this does not explain why so many cities are having trouble creating an environment in which citizens and businesses can prosper. Self-reliance among the indigent is also insufficient to pull a city up. There are those who say, get government out of the way of business, allow the poor to own their plots and homes, and watch human resourcefulness do the rest. This logic resonates with the libertarian mood of the times, but action tends to stop where the neighborhood stops, and a city is much more than a series of adjoining neighborhoods.

In fact, the fortunes of cities are increasingly hostage to factors beyond their control. Population pressures and the integration of the world economy have unleashed forces that can overwhelm a city, however well managed. To a degree, all poor cities today are at the mercy of a restless \$4 trillion in institutional capital that roams the world like a giant ocean bird looking for profitable places to alight. When investment fund managers lose confidence in a nation's fiscal policies, as happened in Mexico in the fall of 1994, a country's or region's share of that capital can vanish, leaving cities to deal with the consequences of a ruined currency.

Even seemingly permanent foreign investments have become flighty. Competition among cities for what Adrian Atkinson of the Development Planning Unit of University College, London, calls "footloose foreign industry attracted to cheap labor" places constraints on the current panacea for improving the lot of the poor: jobs. Jabotatek, the name given to greater Jakarta, the Indonesian capital, has enjoyed formidable growth in manufacturing jobs since the 1970s as foreign investment took advantage of labor as cheap as \$1.50 a day. Since the industries that have created those jobs import the bulk of their raw materials, they could move elsewhere if costs rise or a more attractive labor market beckons. This leaves workers little hope of better wages or working conditions, since their government is loath

to impose costs that might scare away foreign money. Meanwhile unrelenting migration from overpopulated agricultural areas creates a situation in which ever more people could be chasing ever fewer jobs in an economic downturn. Atkinson writes, "The city could, in this situation, become a mass graveyard."

As the global population climbs by nearly 100 million a year, starker limits appear on the horizon. Successful export-based economies can generate the money to buy food elsewhere, but some-

Developed world cities
are now encountering
dilemmas all too familiar
to the developing world.

body has to produce it. Even today China is simply too populous to count on exports to release its economy from inherent agricultural and resource limitations. Though the largest grain producer in the world, China has quickly become the second-largest importer of grain as well. Worldwide grain reserves, an estimated 48-day supply, are at

their lowest level since the agricultural community began tabulating global statistics in 1963. Any disruption of the world market by either weather or grain exporters imposing export controls to protect their consumers could cause a staggering free-for-all over grain. Lester Brown of the Worldwatch Institute in Washington asks: what happens to countries that cannot compete with China and other hungry giants?

The usually optimistic International Food Policy Research Institute recently warned that the world cannot expect new breakthroughs to replicate the gains won during the now-sputtering Green Revolution. According to the World Bank, food production failed to keep pace with population growth in 75 countries during the 1980s, and 15 developing countries saw per capita food production decrease more than 20 percent during the decade. In per capita terms, fish production, fresh water, and arable land have all declined since 1980. As surpluses vanish, higher prices may temporarily spur production, but scores of developing countries may find themselves priced out of the market.

As limits begin to appear—or, equally important, are perceived to appear—the potential for strife and disorder rises, particularly if there are huge disparities in wealth within a city or society. The interplay between scarce land in the countryside, urban migration, and conflict in the cities is complicated, but the scramble for resources in a developing

world city can create an environment ripe for exploitation by thugs and gangs. Thomas Homer-Dixon, director of the Peace and Conflict Studies Program at the University of Toronto, argues that crime and social instability resulting from environmental degradation and scarcity of land can prevent a society from establishing independent courts, open and honest markets, and other institutions necessary if it is to decouple its economy from resource limitations.

Other threats loom further off. Sometime in the next century, cities may have to deal with the serious consequences of climate change. Thirty of the world's 50 largest cities lie near coasts; a one-meter rise in the oceans caused by global warming would place an estimated 300 million people directly at risk. Many foreign investors already steer clear of Bangladesh because of its vulnerability to typhoons; a sea-level rise of one meter would put 16 percent of that densely populated country under water.

City dwellers have proved their resilience many times over. Kinshasa refuses to die, and Monrovia and Mogadishu still function despite hellish upheavals. But throughout history cities have expired, and there is no reason to believe the cycle has been permanently interrupted. One can envision a future in which the world's urban population swells from the 300 million of 1950 to perhaps 6 billion in 2050 without widespread collapse, but such a scenario is unlikely, if for no other reason than that it would run counter to the rhythm of history. In its own interest, the more developed world should help the developing cities with investments that promote family planning, foster education for girls as well as boys, improve sanitation and health care, and better the lot of those in rural areas. Broadcasting the rare success stories like Curitiba would also be useful. The world will have an opportunity to spotlight the problems of developing world cities at the U.N. conference on cities in Istanbul in June.

If the world's cities cannot absorb the unprecedented influx, masses of the desperate may overwhelm entire nations and regions. As populations grow and cities become more crowded, the margin for error narrows and the cost of mistakes rises. If peaceful, functioning cities are to exist in 2050, a law-abiding, harmonious, hard-working, ecology-conscious citizenry must be supported by enlightened leaders. Little in the cities of today suggests that this will come to pass. 🌐

The Return of Infectious Disease

Laurie Garrett

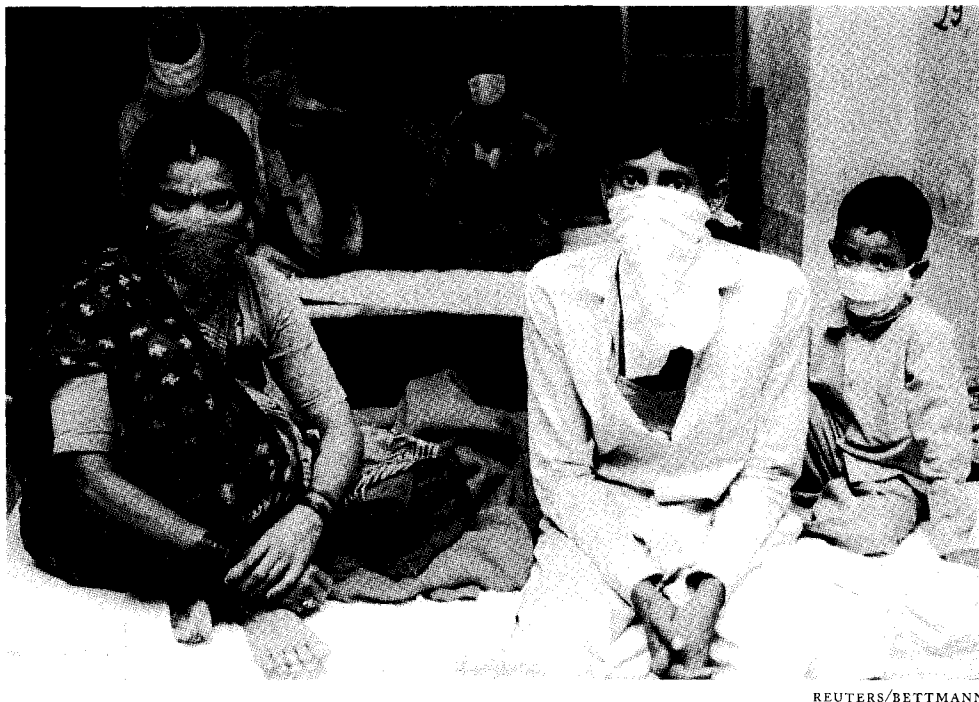
THE POST-ANTIBIOTIC ERA

SINCE WORLD WAR II, public health strategy has focused on the eradication of microbes. Using powerful medical weaponry developed during the postwar period—antibiotics, antimalarials, and vaccines—political and scientific leaders in the United States and around the world pursued a military-style campaign to obliterate viral, bacterial, and parasitic enemies. The goal was nothing less than pushing humanity through what was termed the “health transition,” leaving the age of infectious disease permanently behind. By the turn of the century, it was thought, most of the world’s population would live long lives ended only by the “chronics”—cancer, heart disease, and Alzheimer’s.

The optimism culminated in 1978 when the member states of the United Nations signed the “Health for All, 2000” accord. The agreement set ambitious goals for the eradication of disease, predicting that even the poorest nations would undergo a health transition before the millennium, with life expectancies rising markedly. It was certainly reasonable in 1978 to take a rosy view of *Homo sapiens*’ ancient struggle with the microbes; antibiotics, pesticides, chloroquine and other powerful antimicrobials, vaccines, and striking improvements in water treatment and food preparation technologies had provided what seemed an imposing armamentarium. The year before, the World

LAURIE GARRETT is the author of *The Coming Plague: Newly Emerging Diseases in a World Out of Balance*. She is a medical and science reporter for *Newsday*.

[66]



Suspected carriers of plague virus in a New Delhi hospital, October 1994.

Health Organization (WHO) had announced that the last known case of smallpox had been tracked down in Ethiopia and cured.

The grandiose optimism rested on two false assumptions: that microbes were biologically stationary targets and that diseases could be geographically sequestered. Each contributed to the smug sense of immunity from infectious diseases that characterized health professionals in North America and Europe.

Anything but stationary, microbes and the insects, rodents, and other animals that transmit them are in a constant state of biological flux and evolution. Darwin noted that certain genetic mutations allow plants and animals to better adapt to environmental conditions and so produce more offspring; this process of natural selection, he argued, was the mechanism of evolution. Less than a decade after the U.S. military first supplied penicillin to its field physicians in the Pacific theater, geneticist Joshua Lederberg demonstrated that natural selection was operating in the bacterial world. Strains of staphylococcus and streptococcus that happened to carry genes for resistance to the drugs arose and flourished where drug-susceptible strains had been driven out. Use of antibiotics was selecting for ever-more-resistant bugs.

Medicine thought it had beaten infectious disease, until the AIDS epidemic broke out.

More recently scientists have witnessed an alarming mechanism of microbial adaptation and change—one less dependent on random inherited genetic advantage. The genetic blueprints of some microbes contain DNA and RNA codes that command mutation under stress, offer escapes from antibiotics and other drugs, marshal collective behaviors conducive to group survival, and allow the microbes and their progeny to scour their environments for potentially useful genetic material. Such material is present in stable rings or pieces of DNA and RNA, known as plasmids and transposons, that move freely among microorganisms, even jumping between species of bacteria, fungi, and parasites. Some plasmids carry the genes for resistance to five or more different families of antibiotics, or dozens of individual drugs. Others confer greater powers of infectivity, virulence, resistance to disinfectants or chlorine, even such subtly important characteristics as the ability to tolerate higher temperatures or more acidic conditions. Microbes have appeared that can grow on a bar of soap, swim unabashed in bleach, and ignore doses of penicillin logarithmically larger than those effective in 1950.

In the microbial soup, then, is a vast, constantly changing lending library of genetic material that offers humanity's minute predators myriad ways to outmaneuver the drug arsenal. And the arsenal, large as it might seem, is limited. In 1994 the Food and Drug Administration licensed only three new antimicrobial drugs, two of them for the treatment of AIDS and none an antibacterial. Research and development has ground to a near halt now that the easy approaches to killing viruses, bacteria, fungi, and parasites—those that mimic the ways competing microbes kill one another in their endless tiny battles throughout the human gastrointestinal tract—have been exploited. Researchers have run out of ideas for countering many microbial scourges, and the lack of profitability has stifled the development of drugs to combat organisms that are currently found predominantly in poor countries. "The pipeline is dry. We really have a global crisis," James Hughes, director of the National Center for Infectious Diseases at the Centers for Disease Control and Prevention (CDC) in Atlanta, said recently.

DISEASES WITHOUT BORDERS

DURING THE 1960s, 1970s, and 1980s, the World Bank and the International Monetary Fund devised investment policies based on the assumption that economic modernization should come first and improved health would naturally follow. Today the World Bank recognizes that a nation in which more than ten percent of the working-age population is chronically ill cannot be expected to reach higher levels of development without investment in health infrastructure. Furthermore, the bank acknowledges that few societies spend health care dollars effectively for the poor, among whom the potential for the outbreak of infectious disease is greatest. Most of the achievements in infectious disease control have resulted from grand international efforts such as the expanded program for childhood immunization mounted by the U.N. Children's Emergency Fund and WHO's smallpox eradication drive. At the local level, particularly in politically unstable poor countries, few genuine successes can be cited.

Geographic sequestration was crucial in all postwar health planning, but diseases can no longer be expected to remain in their country or region of origin. Even before commercial air travel, swine flu in 1918-19 managed to circumnavigate the planet five times in 18 months, killing 22 million people, 500,000 in the United States. How many more victims could a similarly lethal strain of influenza claim in 1996, when some half a billion passengers will board airline flights?

Every day one million people cross an international border. One million a week travel between the industrial and developing worlds. And as people move, unwanted microbial hitchhikers tag along. In the nineteenth century most diseases and infections that travelers carried manifested themselves during the long sea voyages that were the primary means of covering great distances. Recognizing the symptoms, the authorities at ports of entry could quarantine contagious individuals or take other action. In the age of jet travel, however, a person incubating a disease such as Ebola can board a plane, travel 12,000 miles, pass unnoticed through customs and immigration, take a domestic carrier to a remote destination, and still not develop symptoms for several days, infecting many other people before his condition is noticeable.

Surveillance at airports has proved grossly inadequate and is often biologically irrational, given that incubation periods for many incurable contagious diseases may exceed 21 days. And when a recent traveler's symptoms become apparent, days or weeks after his journey, the task of identifying fellow passengers, locating them, and bringing them to the authorities for medical examination is costly and sometimes impossible. The British and U.S. governments both spent millions of dollars in 1976 trying to track down 522 people exposed during a flight from Sierra Leone to Washington, D.C., to a Peace Corps volunteer infected with the Lassa virus, an organism that produces gruesome hemorrhagic disease in its victims. The U.S. government eventually tracked down 505 passengers, scattered over 21 states; British Airways and the British government located 95, some of whom were also on the U.S. list. None tested positive for the virus.

In the fall of 1994 the New York City Department of Health and the U.S. Immigration and Naturalization Service took steps to prevent plague-infected passengers from India from disembarking at New York's John F. Kennedy International Airport. All airport and federal personnel who had direct contact with passengers were trained to recognize symptoms of *Yersinia pestis* infection. Potential plague carriers were, if possible, to be identified while still on the tarmac, so fellow passengers could be examined. Of ten putative carriers identified in New York, only two were discovered at the airport; the majority had long since entered the community. Fortunately, none of the ten proved to have plague. Health authorities came away with the lesson that airport-based screening is expensive and does not work.

Humanity is on the move worldwide, fleeing impoverishment, religious and ethnic intolerance, and high-intensity localized warfare that targets civilians. People are abandoning their homes for new destinations on an unprecedented scale, both in terms of absolute numbers and as a percentage of population. In 1994 at least 110 million people immigrated, another 30 million moved from rural to urban areas within their own country, and 23 million more were displaced by war or social unrest, according to the U.N. High Commissioner for Refugees and the Worldwatch Institute. This human mobility affords microbes greatly increased opportunities for movement.

THE CITY AS VECTOR

POPULATION EXPANSION raises the statistical probability that pathogens will be transmitted, whether from person to person or vector—insect, rodent, or other—to person. Human density is rising rapidly worldwide. Seven countries now have overall population densities exceeding 2,000 people per square mile, and 43 have densities greater than 500 people per square mile. (The U.S. average, by contrast, is 74.)

High density need not doom a nation to epidemics and unusual outbreaks of disease if sewage and water systems, housing, and public health provisions are adequate. The Netherlands, for example, with 1,180 people per square mile, ranks among the top 20 countries for good health and life expectancy. But the areas in which density is increasing most are not those capable of providing such infrastructural support. They are, rather, the poorest on earth. Even countries with low overall density may have cities that have become focuses for extraordinary overpopulation, from the point of view of public health. Some of these urban agglomerations have only one toilet for every 750 or more people.

Most people on the move around the world come to burgeoning metropolises like India's Surat (where pneumonic plague struck in 1994) and Zaire's Kikwit (site of the 1995 Ebola epidemic) that offer few fundamental amenities. These new centers of urbanization typically lack sewage systems, paved roads, housing, safe drinking water, medical facilities, and schools adequate to serve even the most affluent residents. They are squalid sites of destitution where hundreds of thousands live much as they would in poor villages, yet so jammed together as to ensure astronomical transmission rates for airborne, waterborne, sexually transmitted, and contact-transmission microbes.

But such centers are often only staging areas for the waves of impoverished people that are drawn there. The next stop is a megacity with a population of ten million or more. In the nineteenth century only two cities on earth—London and New York—even approached that size. Five years from now there will be 24 megacities, most in poor developing countries: São Paulo, Calcutta, Bombay, Istanbul, Bangkok, Tehran, Jakarta, Cairo, Mexico City, Karachi, and the like. There the woes of cities like Surat are magnified many times

over. Yet even the developing world's megacities are way stations for those who most aggressively seek a better life. All paths ultimately lead these people—and the microbes they may carry—to the United States, Canada, and Western Europe.

Urbanization and global migration propel radical changes in human behavior as well as in the ecological relationship between microbes and humans. Almost invariably in large cities, sex industries arise and multiple-partner sex becomes more common, prompting rapid increases in sexually transmitted diseases. Black market access to antimicrobials is greater in urban centers, leading to overuse or outright misuse of the precious drugs and the emergence of resistant bacteria and parasites. Intravenous drug abusers' practice of sharing syringes is a ready vehicle for the transmission of microbes. Underfunded urban health facilities often become unhygienic centers for the dissemination of disease rather than its control.

THE EMBLEMATIC NEW DISEASE

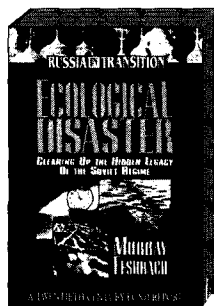
ALL THESE factors played out dramatically during the 1980s, allowing an obscure organism to amplify and spread to the point that WHO estimates it has infected a cumulative total of 30 million people and become endemic to every country in the world. Genetic studies of the human immunodeficiency virus that causes AIDS indicate that it is probably more than a century old, yet HIV infected perhaps less than .001 percent of the world population until the mid-1970s. Then the virus surged because of sweeping social changes: African urbanization; American and European intravenous drug use and homosexual bathhouse activity; the Uganda-Tanzania war of 1977-79, in which rape was used as a tool of ethnic cleansing; and the growth of the American blood products industry and the international marketing of its contaminated goods. Government denial and societal prejudice everywhere in the world led to inappropriate public health interventions or plain inaction, further abetting HIV transmission and slowing research for treatment or a cure.

The estimated direct (medical) and indirect (loss of productive labor force and family-impact) costs of the disease are expected to top \$500 billion by the year 2000, according to the Global AIDS Policy



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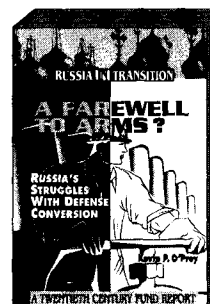
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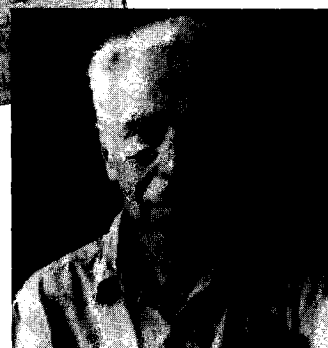
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Coalition at Harvard University. The U.S. Agency for International Development predicts that by then some 11 percent of children under 15 in sub-Saharan Africa will be AIDS orphans, and that infant mortality will soar fivefold in some African and Asian nations, due to the loss of parental care among children orphaned by AIDS and its most common opportunistic infection, tuberculosis. Life expectancy in the African and Asian nations hit hardest by AIDS will plummet to an astonishing low of 25 years by 2010, the agency forecasts.

Medical experts now recognize that any microbe, including ones previously unknown to science, can take similar advantage of conditions in human society, going from isolated cases camouflaged by generally high levels of disease to become a global threat. Furthermore, old organisms, aided by mankind's misuse of disinfectants and drugs, can take on new, more lethal forms.

A White House-appointed interagency working group on emerging and reemerging infectious diseases estimates that at least 29 previously unknown diseases have appeared since 1973 and 20 well-known ones have reemerged, often in new drug-resistant or deadlier forms. According to the group, total direct and indirect costs of infectious disease in the United States in 1993 were more than \$120 billion; combined federal, state, and municipal government expenditures that year for infectious disease control were only \$74.2 million (neither figure includes AIDS, other sexually transmitted diseases, or tuberculosis).

THE REAL THREAT OF BIOWARFARE

THE WORLD was lucky in the September 1994 pneumonic plague epidemic in Surat. Independent studies in the United States, France, and Russia revealed that the bacterial strain that caused the outbreak was unusually weak, and although the precise figures for plague cases and deaths remain a matter of debate, the numbers certainly fall below 200. Yet the epidemic vividly illustrated three crucial national security issues in disease emergence: human mobility, transparency, and tensions between states up to and including the threat of biological warfare.

When word got out that an airborne disease was loose in the city, some 500,000 residents of Surat boarded trains and within 48 hours dispersed to every corner of the subcontinent. Had the microbe that

caused the plague been a virus or drug-resistant bacterium, the world would have witnessed an immediate Asian pandemic. As it was, the epidemic sparked a global panic that cost the Indian economy a minimum of \$2 billion in lost sales and losses on the Bombay stock market, predominantly the result of international boycotts of Indian goods and travelers.

As the number of countries banning trade with India mounted that fall, the Hindi-language press insisted that there was no plague, accusing Pakistan of a smear campaign aimed at bringing India's economy to its knees. After international scientific investigations concluded that *Yersinia pestis* had indeed been the culprit in this bona fide epidemic, attention turned to the bacteria's origin. By last June several Indian scientists claimed to have evidence that the bacteria in Surat had been genetically engineered for biowarfare purposes. Though no credible evidence exists to support it, and Indian government authorities vigorously deny such claims, the charge is almost impossible to disprove, particularly in a region rife with military and political tensions of long standing.

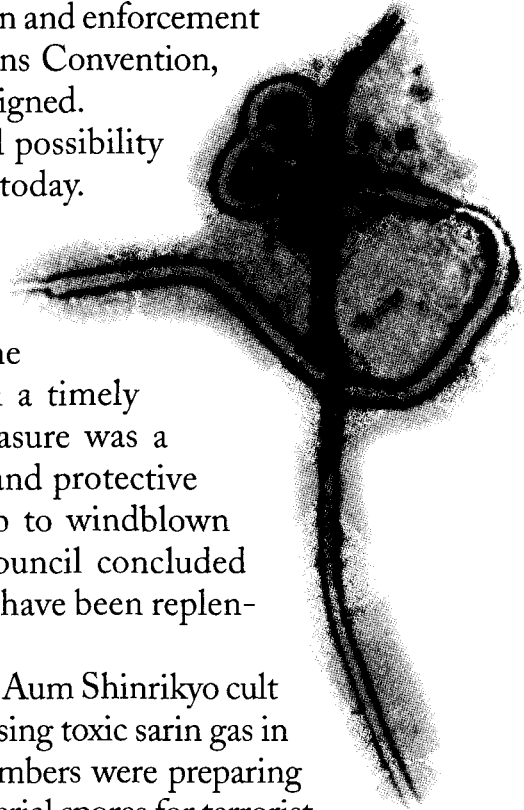
Even when allegations of biological warfare are not flying, it is often exceedingly difficult to obtain accurate information about outbreaks of disease, particularly from countries dependent on foreign investment or tourism or both. Transparency is a common problem; though there is usually no suggestion of covert action or malevolent intent, many countries are reluctant to disclose complete information about contagious illness. For example, nearly every country initially denied or covered up the presence of the HIV virus within its borders. Even now, at least ten nations known to be in the midst of HIV epidemics refuse to cooperate with WHO, deliberately obfuscating incidence reports or declining to provide any statistics. Similarly, Egypt denies the existence of cholera bacteria in the Nile's waters; Saudi Arabia has asked WHO not to warn that travelers to Mecca may be bitten by mosquitoes carrying viruses that cause the new, superlethal dengue hemorrhagic fever; few countries report the appearance of antibiotic-resistant strains of deadly bacteria; and central authorities in Serbia recently rescinded an international epidemic alert when they learned that all the scientists WHO planned to send to the tense Kosovo region to halt a large outbreak of Crimean-Congo hemorrhagic fever were from the United States, a nation Serbia viewed with hostility.

The specter of biological warfare having raised its head, Brad Roberts of the Center for Strategic and International Studies is particularly concerned that the New Tier nations—developing states such as China, Iran, and Iraq that possess technological know-how but lack an organized civil society that might put some restraints on its use—might be tempted to employ bioweapons. The Federation of American Scientists has sought, so far in vain, a scientific solution to the acute weaknesses of verification and enforcement provisions in the 1972 Biological Weapons Convention, which most of the world's nations have signed.

That treaty's flaws, and the very real possibility of bioweapons use, stand in sharp focus today. Iraq's threat in 1990-91 to use biological weapons in the Persian Gulf conflict found allied forces in the region virtually powerless to respond: the weapons' existence was not verified in a timely manner, the only available countermeasure was a vaccine against one type of organism, and protective gear and equipment failed to stand up to windblown sand. Last June the U.N. Security Council concluded that Iraqi stocks of bioweaponry might have been replenished after the Gulf War settlement.

More alarming were the actions of the Aum Shinrikyo cult in Japan in early 1995. In addition to releasing toxic sarin gas in the Tokyo subway on March 18, cult members were preparing vast quantities of *Clostridium difficile* bacterial spores for terrorist use. Though rarely fatal, clostridium infections often worsen as a result of improper antibiotic use, and long bouts of bloody diarrhea can lead to dangerous colon inflammations. Clostridium was a good choice for biological terrorism: the spores can survive for months and may be spread with any aerosol device, and even slight exposure can make vulnerable people (particularly children and the elderly) sick enough to cost a crowded society like Japan hundreds of millions of dollars for hospitalizations and lost productivity.

The U.S. Office of Technology Assessment has calculated what it would take to produce a spectacular terrorist bioweapon: 100 kilo-



BETTMANN

The Ebola virus

grams of a lethal sporulating organism such as anthrax spread over Washington, D.C., by a crop duster could cause well over two million deaths. Enough anthrax spores to kill five or six million people could be loaded into a taxi and pumped out its tailpipe as it meandered through Manhattan. Vulnerability to terrorist attacks, as well as to the natural emergence of disease, increase with population density.

A WORLD AT RISK

A 1995 WHO survey of global capacity to identify and respond to threats from emerging disease reached troubling conclusions. Only six laboratories in the world, the study found, met security and safety standards that would make them suitable sites for research on the world's deadliest microbes, including those that cause Ebola, Marburg, and Lassa fever. Local political instability threatens to compromise the security of the two labs in Russia, and budget cuts threaten to do the same to the two in the United States (the army's facility at Fort Detrick and the CDC in Atlanta) and the one in Britain. In another survey, WHO sent samples of hantaviruses (such as Sin Nombre, which caused the 1993 outbreak in New Mexico) and organisms that cause dengue, yellow fever, malaria, and other diseases to the world's 35 leading disease-monitoring facilities. Only one—the CDC—correctly identified all the organisms; most got fewer than half right.

Convinced that newly emerging diseases, whether natural or engineered, could endanger national security, the CDC requested \$125 million from Congress in 1994 to bolster what it termed a grossly inadequate system of surveillance and response; it received \$7.3 million. After two years of inquiry by a panel of experts, the Institute of Medicine, a division of the National Academy of Sciences, declared the situation a crisis.

Today's reality is best reflected in New York City's battle with tuberculosis. Control of the W-strain of the disease—which first appeared in the city in 1991-92, is resistant to every available drug, and kills half its victims—has already cost more than \$1 billion. Despite such spending, there were 3,000 TB cases in the city in 1994, some of which were the W-strain. According to the surgeon general's annual

reports from the 1970s and 1980s, tuberculosis was supposed to be eradicated from the United States by 2000. During the Bush administration the CDC told state authorities they could safely lower their fiscal commitments to TB control because victory was imminent. Now public health officials are fighting to get levels down to where they were in 1985—a far cry from elimination. New York's crisis is a result of both immigration pressure (some cases originated overseas) and the collapse of the local public health infrastructure.

National preparedness has further eroded over the past five years in the face of budgetary constraints. Just as WHO cannot intercede in an epidemic unless it receives an invitation from the afflicted country, the CDC may not enter a U.S. state without a request from the state government. The U.S. system rests on an increasingly shaky network of disease surveillance and response by states and territories. A 1992 survey for the CDC showed that 12 states had no one on staff to monitor microbial contamination of local food and water; 67 percent of the states and territories had less than one employee monitoring the food and water of every one million residents. And only a handful of states were monitoring hospitals for the appearance of unusual or drug-resistant microbes.

State capacity rests on county and municipal public health, and there too weaknesses are acute. In October, dengue hemorrhagic fever, which had been creeping steadily northward from Brazil over the past eight years, with devastating results, struck in Texas. Most Texas counties had slashed their mosquito control budgets and were ill prepared to combat the aggressive Tiger mosquitoes from Southeast Asia that carry the virus. In Los Angeles County that month, a \$2 billion budget shortfall drove officials to close all but 10 of the 45 public health clinics and to attempt to sell four of the county's six public hospitals. Congress is contemplating enormous cuts in Medicare and Medicaid spending, which the American Public Health Association predicts would result in a widespread increase in infectious disease.

Migration and megacities
have made mankind
more vulnerable to
microbes, in peacetime
and in biowarfare.

PRESCRIPTIONS FOR NATIONAL HEALTH

BOLSTERING research capacity, enhancing disease surveillance capabilities, revitalizing sagging basic public health systems, rationing powerful drugs to avoid the emergence of drug-resistant organisms, and improving infection control practices at hospitals are only stop-gap measures. National security warrants bolder steps.

One priority is finding scientifically valid ways to use polymerase chain reaction (popularly known as DNA fingerprinting), field investigations, chemical and biological export records, and local legal instruments to track the development of new or reemergent lethal organisms, whether natural or bioweapons. The effort should focus not only on microbes directly dangerous to humans but on those that could pose major threats to crops or livestock.

Most emerging diseases are first detected by health providers working at the primary-care level. Currently there is no system, even in the United States, whereby the providers can notify relevant authorities and be assured that their alarm will be investigated promptly. In much of the world, the notifiers' reward is penalties levied against them, primarily because states want to hush up the problem. But Internet access is improving worldwide, and a small investment would give physicians an electronic highway to international health authorities that bypassed government roadblocks and obfuscation.

Only three diseases—cholera, plague, and yellow fever—are subject to international regulation, permitting U.N. and national authorities to interfere as necessary in the global traffic of goods and persons to stave off cross-border epidemics. The World Health Assembly, the legislative arm of WHO, recommended at its 1995 annual meeting in Geneva that the United Nations consider both expanding the list of regulated diseases and finding new ways to monitor the broad movement of disease. The Ebola outbreak in Kikwit demonstrated that a team of international scientists can be mobilized to swiftly contain a remote, localized epidemic caused by known nonairborne agents.

Were a major epidemic to imperil the United States, the Office of Emergency Preparedness and the National Disaster Medical System (part of the Department of Health and Human Services) would be at the helm. The office has 4,200 private-sector doctors and nurses throughout

the 50 states who are at its disposal and committed to rapid mobilization in case of emergency. The system is sound but should be bolstered. Participants should be supplied with protective suits, respirators, mobile containment laboratories, and adequate local isolation facilities.

As for potential threats from biological weapons, the U.S. Department of Energy has identified serious lapses in Russian and Ukrainian compliance with the Biological Weapons Convention. Large stockpiles of bioweapons are believed to remain, and employees of the Soviet program for biological warfare are still on the state payroll. Arsenals are also thought to exist in other nations, although intelligence on this is weak. The location and destruction of such weapons is a critical priority. Meanwhile, scientists in the United States and Europe are identifying the genes in bacteria and viruses that code for virulence and modes of transmission. Better understanding of the genetic mechanisms will allow scientists to manipulate existing organisms, endowing them with dangerous capabilities. It would seem prudent for the United States and the international community to examine that potential now and consider options for the control of such research or its fruits.

To guard against the proliferation of blood-associated diseases, the blood and animal exports industries must be closely regulated, plasma donors must be screened for infections, and an internationally acceptable watchdog agency must be designated to monitor reports of the appearance of new forms of such diseases. The export of research animals played a role in a serious incident in Germany in which vaccine workers were infected with the Marburg virus and in an Ebola scare in Virginia in which imported monkeys died from the disease.

Nobel laureate Joshua Lederberg of Rockefeller University has characterized the solutions to the threat of disease emergence as multitudinous, largely straightforward and commonsensical, and international in scope; "the bad news," he says, "is they will cost money."

Budgets, particularly for health care, are being cut at all levels of government. Dustin Hoffman made more money last year playing a disease control scientist in the movie *Outbreak* than the combined annual budgets for the U.S. National Center for Infectious Diseases and the U.N. Programme on AIDS/HIV.🌀

Few countries are eager to tell the world about contagious outbreaks.

Making Eurasia Stable

S. Frederick Starr

UZBEKISTAN AT THE CENTER

CENTRAL ASIA, scene of the Great Game between England and Russia in the nineteenth century, is once more a key to the security of all Eurasia. Since the fifteenth century the region has mainly been politically organized from without; from the 1870s Russia controlled most of its vast territory. The collapse of the Soviet Union four years ago left five new states and placed the area's fate in question. Whether stability comes, and how, will affect Eurasia as a whole, and particularly Russia in its transition to democracy.

Central Asia—Afghanistan and the five former Soviet republics of Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, and Uzbekistan—is strategic despite its seeming remoteness. It borders China, Russia, Iran, and Pakistan and the four major cultural zones they represent; Islam is a significant force without and within. The region possesses some of the world's largest deposits of oil, natural gas, gold, and uranium. The site of the bloodiest war of the past generation, between Afghan rebels and Soviet troops, the region is now roiled by civil wars in Afghanistan and Tajikistan. Huge stores of conventional weapons in several of the countries pose problems. The area also produces or acts as a conduit for much of the heroin reaching Europe. For these reasons alone Central Asia cannot be ignored.

There are three possibilities for the region. It could come under the hegemony of one or more outside powers, Russia being the most likely candidate. It could lapse into chaos—Tajikistan and Afghanistan al-

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ready have—threatening the security of adjoining regions. Or it could achieve equilibrium and coherence from within, through the emergence of an anchor state or states.

The growth of one or more strong centers would fill a political vacuum in Central Asia, eliminating what has long been the main rationale for foreign encroachment and so helping protect Russia's fragile democracy from the potentially fatal temptation of expansionism. Most important, a Central Asian stabilizer would quickly become the third leg of a tripod of power in the former Soviet Union, alongside Russia and Ukraine. This could create a healthy balance that would best serve the interests of regional security, Europe, and NATO.

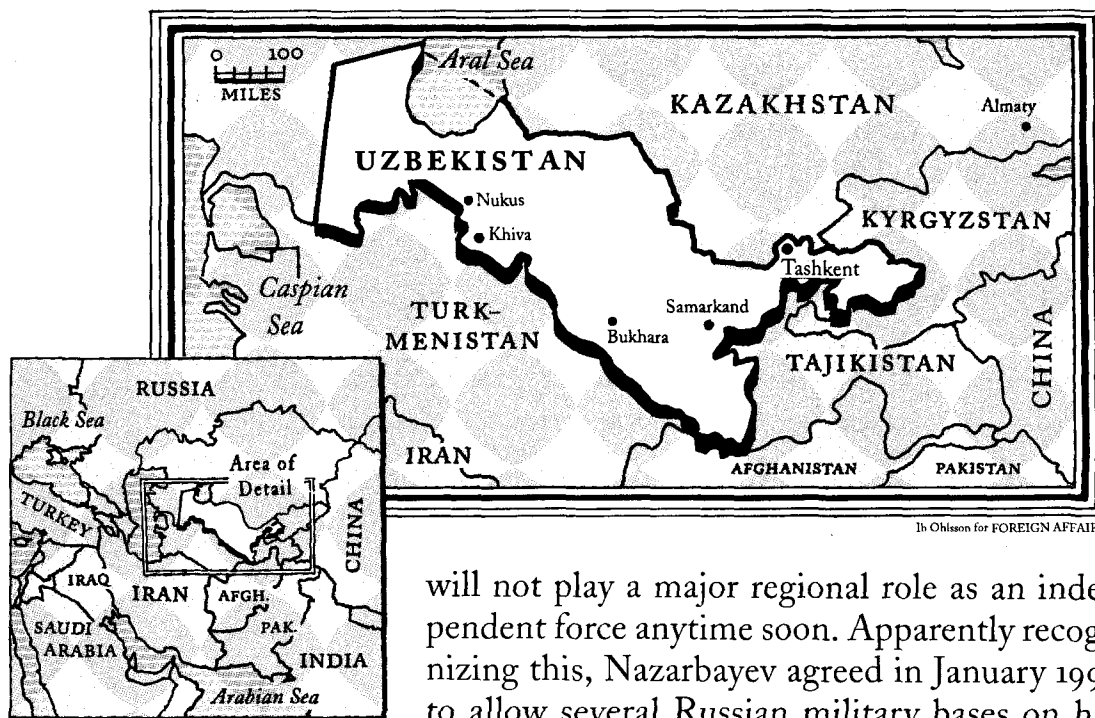
Among the Central Asian nations, only Uzbekistan appears to have the potential to be such a stabilizer. But for Westerners, Uzbekistan is an unfamiliar country in an unfamiliar region, and so far it has been relegated to the periphery of U.S. policy.

WHY NO OTHER STATE WILL SERVE

SEVEN decades of Soviet rule and central planning deformed the politics and economies of the Central Asian states, each in a different way. Four years after independence the countries of the region are still struggling to find and follow their distinct paths to the overall development that each acknowledges is necessary.

Kazakhstan gained great short-term diplomatic benefit from agreeing to relinquish the nuclear weapons left on its soil after the Soviet breakup. It will be a country to reckon with because of its enormous oil reserves. Adroit leadership by President Nursultan Nazarbayev and a body of legislation favorable to business have made it even more attractive than Russia for foreign investors.

Yet Kazakhstan's prospects are severely constrained by the ethnic and territorial division of the country between Russians and Kazakhs, the weakness of local institutions, the absence of a scientific intelligentsia, and underdeveloped industry. Its chief city, Almaty, is ill suited to be a major capital because of its limited room for expansion and its location at the edge of the country's Kazakh-populated zone. A plummeting GDP in 1994 and Nazarbayev's 1995 proroguing of parliament and resort to reform by decree suggest that Kazakhstan



will not play a major regional role as an independent force anytime soon. Apparently recognizing this, Nazarbayev agreed in January 1995 to allow several Russian military bases on his country's soil.

As for Kyrgyzstan, despite President Askar Akayev's aspirations for it to become the "Switzerland of Central Asia" and his ready access to President Clinton's White House, this small, mountainous nation lacks most of the requirements for a regional power. It is poor in resources; its public life is riddled with interclan rivalries, regional divisions, and corruption; and with Russians constituting 20 percent of the population, it faces ethnic tensions that could eventually threaten its survival.

Turkmenistan has already done so well from the sale of natural gas that the government supplies electricity at no charge to everyone in this otherwise poor country. But with a large desert territory, a population of fewer than four million, and a minuscule intellectual elite, Turkmenistan will depend on others for security, much like the United Arab Emirates and Kuwait.

Tajikistan has felt the full impact along its southern border of the war and large-scale drug trafficking in neighboring Afghanistan. Its own resulting civil war and ethnic strife have been exacerbated by grave divisions among Tajikistan's leaders, a paucity of natural resources, and a populace awash in Soviet weaponry. As for Afghanistan, a generation of brutal warfare has not only left a large portion of the

country in ruins but has destroyed most of the attributes of statehood, inviting interference from neighbors.

This assessment may undervalue the strengths of these countries, but there is little reason to believe that any of the five could resist outside pressures or even mobilize the political and economic resources to resist chaos within, should it erupt. That leaves Uzbekistan as the sole candidate for regional anchor.

UZBEKISTAN'S ASSETS

ALTHOUGH smaller than Kazakhstan, which has vast tracts of uninhabited desert, Uzbekistan is nine-tenths the size of France. It has a population of about 23 million; Afghanistan and Kazakhstan are next in Central Asia, at about 18 million each. In addition, there are politically active Uzbek minorities in all the other countries of the region, including the 1.5 million ethnic Uzbeks in Afghanistan. Ethnic Russians, by contrast, represent less than a tenth of Uzbekistan's population and are concentrated in the capital, Tashkent. Uzbekistan lies at the geographic center of Central Asia. While it borders all the region's other states, it alone has no common border with any major power.

Uzbekistan's ancient urban centers of Samarkand, Bukhara, Khiva, and Tashkent have constituted the historical and cultural core of the region since the fifteenth century. The Mongol conqueror Timur, or Tamerlane (c. 1336-1405), born near Samarkand, brought the entire Middle East under his sway and lavished the proceeds on the city, his capital. The Uzbeks of today differ ethnically from the medieval Timurids, but the Timurids are irrevocably linked with the nation, making Uzbeks feel they share a tradition of statehood that, though interrupted, has no parallel in the region. This also shapes Uzbek attitudes toward surrounding powers. When, after the Turkic-speaking states of Central Asia declared their independence in 1990-91, Turkey briefly aspired to act as their elder brother, Uzbeks dismissed it as an upstart. Had Timur not defeated the Ottoman sultan Bayazid in 1402 and, incidentally, saved Europe in the process?

Both the czars and the Soviet regime confirmed Uzbekistan's place in inner Asia. The Russians named Tashkent their regional military and administrative headquarters after taking control of it in 1865, and the

city was still the seat of Russia's military presence in Central Asia when the U.S.S.R. began disintegrating in 1990. Although this Soviet republic housed no nuclear weapons, its military bases boasted some 40,000 Red Army tanks, now rusting in equipment graveyards around the country.

Soviet rule also developed Uzbekistan's economy, endowing it with major factories for the production of aircraft, buses, and tractors as well as refineries for oil piped in from neighboring Turkmenistan. The Soviets set up a network of research institutes and scholarly publications in Tashkent, confirming the city's status as a regional capital of scientific and intellectual life.

Undergirding these political, economic, and intellectual assets is a solid base of natural resources. Uzbekistan lacks Kazakhstan's overwhelming oil reserves or Turkmenistan's vast gas deposits but is rich in both fuels nonetheless. Gold, tungsten, and manganese are abundant, while Uzbekistan's uranium deposits are essential to Russia's nuclear industry. And the cotton monoculture, though built on colonial exploitation by Moscow, enabled Uzbekistan to become one of the world's leading producers of that important export commodity.

THE LIABILITIES COLUMN

SUCH ADVANTAGES give substance to Uzbekistan's prospects, but they are offset by drawbacks that could derail all hopes for the future. As is often true, many of the liabilities are the obverse of the country's strengths.

The cotton monoculture with its ubiquitous irrigation system led directly to the Aral Sea's loss of 60 percent of its volume since 1960—one of the world's worst ecological disasters—and the resulting fouled water and windblown salt created serious public health problems. The emphasis on cotton also rendered Uzbekistan dependent on food grown elsewhere. The Kremlin treated Tashkent as a showcase city but tied its communications and transportation all the more closely to Moscow, the single hub of the Soviet empire. If Uzbekistan's central location is an asset, its engineered borders are not, since they correspond to neither natural nor ethnic boundaries. Perhaps because Uzbekistan's homegrown communist leaders were masters at keeping Moscow out of their hair, they were at first reluc-

tant to seize and capitalize on independence. Since the old regime did not collapse, leaders did not have to start from scratch after independence, but this means that many Soviet-era personnel remain in place and that some of the most negative Soviet institutions, notably the National Security Service (formerly the KGB), are intact.

Western critics have accused Uzbekistan's leaders of being unregenerate communists. This is not the case, for even during the Soviet period those in power in Uzbekistan were far more concerned with balancing the powerful regional and clan interests in the republic than with applying the precepts of Marx or Lenin. Yet they are not democrats either. Indeed, democracy is so remote a concept that the Uzbek name for its parliament, Oliy Majlis, was imported—from the Arabic. The regional factions and family-based networks that continue to dominate the country's political life have a dangerous dislike of compromise and desire to best all rivals. With Moscow no longer imposing order, the president manages the diverse interests with difficulty, if at all. Most citizens are leery of one man—one vote democracy, since it could upset a balance of powerful social forces that is already far less stable than in the past.

Among the nations of Central Asia, few of these liabilities are unique to Uzbekistan; regional loyalties and clan structures, for instance, are equally powerful in Kazakhstan and Kyrgyzstan, and could as readily lead to unrest. But if Uzbekistan successfully addresses these challenges, the country's assets will leave it uniquely positioned to anchor the security of the region.

KARIMOV'S EQUATION

SOME WESTERN observers question whether Uzbekistan's government is up to the task. The country is still ruled by the former first secretary of the Communist Party of Uzbekistan, they argue. They cite the slow progress of privatization and the chilling list of human rights abuses documented by Human Rights Watch and other international organizations: unlawful searches, denial of due process, political arrests, and interference with the press.

It is true that President Islam Karimov rose to power under communist rule (though in the era of perestroika) and that his govern-

ment has proceeded slowly with privatization and at times demonstrated scant regard for human rights. Repression has undeniably occurred, and the constitution contains several questionable clauses, including one guaranteeing free speech only "within limits prescribed by law." But the authorities tend to speak apologetically of earlier human rights violations as temporary responses to extreme circumstances rather than a practice that will endure. The larger story is that the Karimov government is acting in accordance with an

Uzbekistan may be
the only possible anchor
in this restless region
next door to Russia.

overall strategy of change. To be sure, it has in mind conservative reform that avoids what Karimov calls "pseudorevolutionary leaps"—but reform nonetheless.

The strategy rests on three pillars. Foremost is the establishment and protection of Uzbekistan's sovereignty. Beyond that, the government wants to assure political stability while steadily broadening participation and the rule of law. It also aims to foster step-by-step privatization and the growth of free markets in a manner that supports rather than undermines social well-being.

The first objective, promotion of sovereignty, has called for fast footwork. When Uzbekistan reluctantly declared its independence on August 31, 1991, there was ample cause for anxiety. Soon thereafter, the wars in Afghanistan and Tajikistan and its need to strengthen its security to the south forced Uzbekistan to enter into an uneasy military alliance with Russia, even though it feared Russia's ultranationalists might try to exploit the arrangement to gain a permanent foothold in the region. While Uzbekistan's leaders collaborated militarily with Russian President Boris Yeltsin on Tajikistan, they expressed grave reservations about Russia's June 1994 draft mutual security pact for Commonwealth of Independent States countries, which remains unratified. They also opposed Russia's proposals on dual citizenship, which would have transformed Uzbekistan's ethnic Russians into a kind of fifth column for Moscow. And although Uzbekistan is a CIS member, its government has vocally criticized Russia's most recent push—after Yeltsin sent troops to the secessionist republic of Chechnya in December 1994—to centralize the CIS around Moscow



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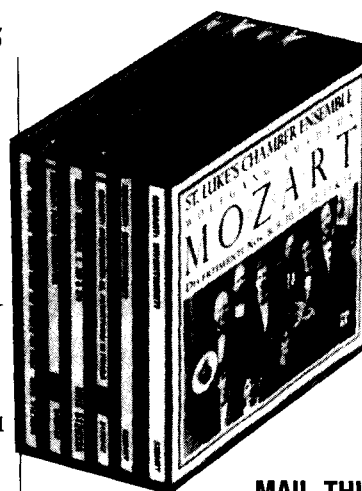
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and turn what is ostensibly an economic association of former Soviet republics into a political and military alliance.

Having secured independence, the government focused on transforming the military into an Uzbek institution. Working with local remnants of the Soviet Army, it set about de-Russifying the force, so that the officer corps, 85 percent Russian at independence, is now 65 percent Uzbek.

Noting the threat to Ukraine's sovereignty arising from that nation's dependence on foreign oil, Karimov made energy independence a priority. Laying more than 600 miles of pipeline a year, drastically cutting consumption, and successfully seeking Western investment, Uzbekistan expects to be self-sufficient within two years. A parallel program in agriculture has shifted tens of thousands of acres of marginal land out of cotton and into wheat, reducing food imports and beginning to address the ecological effects of the Aral Sea disaster.

The Karimov government has aggressively pursued transportation and communications development programs to lessen reliance on Russia. German construction companies are building a web of roads suited to the needs of an independent state, while the national airline and its new fleet of Airbuses have transformed Tashkent into a hub with direct links to European, North American, and Asian cities. Meanwhile, France's Alcatel and other foreign firms have broken the Russian monopoly in telecommunications.

Uzbekistan's sovereignty and stability have also been threatened from within, by territorial clans and other special interests, including religion, that leave the government wielding far less power than it might appear. Uzbek leaders have seen territorial and clan conflict rip Afghanistan and Tajikistan apart and Islamic forces almost swamp the secular regime in Algeria. When, in an early move, the Karimov regime canceled an election, it sparked a campaign of attacks by Islamic militants. Karimov resolved to use the power of the old system to trim the excesses of the new and to set clear parameters for the fledgling country's politics. Determined that Uzbekistan would be a secular state, he banned all religious parties and excluded radical reformers and extreme nationalists from the political scene.

The president thus refused to recognize the Islamic Renaissance Party and drove from office the mufti of Tashkent, Mukhammad Yusuf

Sadyk, who then departed the country. Last March Karimov postponed the presidential election to 2000, reasoning that holding it this year as scheduled would provoke a clash of territorial and clan loyalties that might destroy the young state. Much criticized in the West for this, Karimov points out that Presidents Nazarbayev of Kazakhstan and Akayev of Kyrgyzstan, both considered warm friends of democracy, have since taken similar measures. As part of the same strategy of trim-

Despite flirtations
with authoritarianism,
the larger story in
Uzbekistan is reform.

ming the political extremes, the Karimov government refused to register Birlik (Unity), a party pushing to form a counterparliament of the sort that existed briefly in Soviet Estonia, and Erk (Liberty), a party of intellectuals accused of championing extreme nationalism.

Although these measures conflict with democratic ideals, they serve as the basis for civic accord, at least for the time being. But recognizing that the peace is fragile, the government has begun an intricate dance, permitting the establishment of political parties within the new parameters. Recently it has allowed independent television and radio stations to take root both in Tashkent and in provincial centers. It has also extended recognition to the politically moderate Sunni branch of Islam that predominates in the country; financed citizens' pilgrimages to Mecca; and effected a rapprochement with other Islamic countries.

To counter the divisive forces in the society, the government has mounted campaigns to strengthen national identity. It established Uzbek as the official tongue, forcing the president and senior members of the government to study the language (all official business in the Soviet era was conducted in Russian). It plans to abandon the Cyrillic script for the Roman alphabet soon. Dozens of rich but long-ignored legal, scientific, and philosophical texts from Uzbekistan's medieval period are being published. New educational institutions are preparing citizens to participate fully in international life, teaching them English principally but also German and Russian, while the thousands of young people sent abroad to study are expected to help guide their homeland's development.

Are these steps leading to a more thoroughgoing authoritarianism, or will they, as the government claims, prepare the way for the expan-

sion of participatory government? Karimov points to the growing self-confidence of his people, which, he suggested recently, is enabling them to move beyond the "childhood disease" of extreme nationalism. Nationalism has made possible the considerable power of presidents in many of the countries carved from the U.S.S.R., Russia included. But Uzbekistan has laws, not significantly different from ones in presidential republics like France, that define the president's powers, nor are these mere empty words. And while the country's four new legal parties could prove as docile as those in communist Poland, for now their leaders speak eloquently of their independence.

Despite flirtations with Middle Eastern and Asian models of authoritarianism, Karimov and his team profess to be convinced that in the long run democracy will be essential to the maintenance of social accord. But like conservative reformers everywhere, they insist that democratic participation will proceed only from the prudent instincts associated with the ownership of property. Economic reform, therefore, is essential to their cautious program of nation-building.

THE THERAPY WITHOUT TEARS

KARIMOV'S INITIAL moves to reform the economy targeted Uzbekistan's colonial heritage. The president for the first time allowed natural gas from Bukhara to be used for local needs rather than being piped to Russia. In January 1992 he dismantled Moscow's price controls and privatized most retail stores. To date, 54,000 private businesses have been registered. Although there are as yet few start-up firms, some, like Efim Bank in Urgut, have brought their entrepreneurs great wealth and visibility.

Influenced by former Soviet President Mikhail Gorbachev's preaching about a law-based society, Karimov has insisted on the creation of a legal framework for a market economy before large state firms are privatized. The Institute of Philosophy and Law in Tashkent is finishing a major drafting project on property rights, and with the help of German jurists is completing a new civil code and laws on trade.

Notwithstanding the delays, Karimov is committed to privatization. For one thing, he believes it is necessary to prevent the kind of corruption prevalent in Russia and to some extent in Uzbekistan. "Corruption exists," he says, "so long as state property exists." Given his

moderate instincts, he will probably maintain state control of a few industries deemed essential to national security, but this should leave as much as 70 percent of nonagricultural GDP in private hands.

Karimov's penchant for conservative reform is most evident in agriculture, because of the nationwide irrigation network. The president expects the state to maintain control of water resources and hence the cotton industry. Since the collective farms established in the Soviet period are largely controlled by families and clans, Karimov favors their transformation into cooperatives rather than full-blown privatization, which he fears would trigger conflict. Forty percent of farmland has already been turned over to private owners, but there is as yet no free market in land and no possibility of mortgaging land holdings. The government hopes that improving living standards in the countryside will empower co-op members to set up independent enterprises.

A striking feature of Uzbekistan's economy is the stability of its currency, the sum, introduced in July 1994. Pushed out of the ruble zone by Russia the year before, Uzbekistan was one of the last former Soviet republics to create its own currency. But its tax collection system was intact and the government was strong enough to hold the budget deficit last year to 3.5 percent of GDP. Along with the government's decision to bank gold in the West, this fiscal discipline reduced inflation to 1.8 percent a month by last fall, making the country far more attractive to investors from Asia and Europe.

To be sure, the central bank is still poorly organized, and a plan for its reform is still in preparation at Arthur Andersen & Co., the accounting firm. Nevertheless, the World Bank has offered \$160 million in financing and the Paris Club has pledged \$900 million in credit, which has attracted attention abroad and brought to Tashkent a parade of heads of state from India, Germany, Israel, Pakistan, and Indonesia.

For now, Russia is still the largest foreign presence in Uzbekistan's economy. Thousands of Russian specialists who left after independence have been brought back to industries under term contracts. But the expansion of trade and investment from elsewhere is expected to diminish Russia's economic voice.

After the fall of the U.S.S.R., it was widely assumed that Turkey would become a major player in the economies of Uzbekistan and other Central Asian countries. But Turkey's own economic hard-

ships, along with what many Uzbeks consider the 'Turks' condescending attitude, have severely limited Turkey's role.

South Korea, Japan, and Germany are moving aggressively to establish themselves. The South Korean companies Daiwoo and Samsung have set up factories in Uzbekistan, and Japan's Toyota and Mitsubishi are doing so, either alone or in collaboration with local firms. Thanks to the 200,000 Koreans whom Stalin settled in the country after World War II, South Korea enjoys an advantage over Japan. Daimler-Benz will produce trucks near Nukus, and several German construction and telecommunications firms are well entrenched.

The sprawling Chkalov Aircraft works offer a window on economic reform in Uzbekistan. After nearly collapsing in the wake of the Soviet breakup, the state-owned facility restored links with most of its former suppliers and now has a contract with Rolls-Royce for engines for a new craft designed for the short-haul market of western China and Central Asia. If and when the government privatizes the concern, it will be selling a valuable asset and will not have to resort to bargain-basement pricing.

ISLAND OF STABILITY?

IT WOULD be premature to judge Karimov's strategy of conservative change a success or failure. With its clan-based social structure, its fears of Islamic fundamentalism, and civil wars in two neighboring countries, Uzbekistan is constrained by very different concerns than those guiding policy in Moscow, let alone the Baltic states or Central Europe. But it appears that Tashkent has managed to secure the country's sovereignty and establish the civil accord the government deems essential for development. Overall patterns of foreign investment suggest that economic reform is on a good course.

The United States has been slow to recognize Uzbekistan's significance. U.S. investment has been modest, with the exception of projects mounted by Newmont Mining, the M. W. Kellogg Co., and a few others. An initial enthusiasm for Kyrgyzstan and Kazakhstan brought Vice President Al Gore to both those countries, leaving Karimov to receive an unwelcome lecture on human rights from a State Department officer. But in an apparent shift, Secretary of Defense William Perry

visited Tashkent last March and praised Uzbekistan as “an island of stability” in Central Asia. Uzbekistan responded by becoming the only Central Asian state to back the trade embargo against Iran the U.S. proposed last spring, aimed in part at the sale of Russian nuclear reactors.

The Perry visit hints at a change of course in Central Asia, which has up to now been an afterthought in European security. The United States had focused on NATO expansion, arms reduction, and a special relationship with Russia based on a drawdown of weapons and Moscow’s commitment to democratization and economic transformation. In the past year Washington has acknowledged that an independent, peaceful, democratic, and economically developed Ukraine could further those goals. The same reasoning should now be applied to Central Asia, and Uzbekistan in particular. A sovereign Uzbekistan, politically and economically reformed, is the best hope to anchor a potentially unstable region and foster Russia’s development as a “normal” country free from regional insecurities and imperial longings.

In no way does this imply that Uzbekistan would become the head of some new Central Asian union embracing the four Turkic-speaking states, if not Tajikistan. Such an arrangement would rightly be opposed throughout the region, and the other countries have already evinced anxiety over Tashkent’s rising political and economic valence. But a strong Uzbekistan that respects its neighbors’ sovereignty can foster cooperation in this vast region of geographically open borders, strengthening its neighbors’ security and prospects for development. The contending parties in Tajikistan, for example, have asked Karimov to mediate in their civil war, suggesting the possible benefits in the security sphere. The Central Asian Customs Union established in February 1994, and Uzbekistan’s participation in the economic as opposed to the military and political dimensions of the CIS, are examples of what might be achieved in the economic realm.

As Central Asia gets on its feet, the CIS can emerge as an informal body for economic coordination among countries with a common heritage of Soviet rule rather than as a neo-imperial system enshrining Russia’s sphere of military and political influence in an unstable region. Such an arrangement, in which a sovereign and strong Uzbekistan would play a significant role, best serves the interests of all countries involved, Russia included. ❷

The Storm and the Citadel

Milton Viorst

DISSIDENCE IN ARABIA

SAUDI ARABIA'S royal family is convinced it presides over a country that is peculiarly blessed. It feels it has created a fusion of political and religious power ideal for an Islamic society, and it is puzzled that other Arab states do not emulate its system. It vows it will not have an army, like its neighbors Syria and Iraq, that can take over the state. It sees the disorderly parliaments of Kuwait and Egypt as warnings against the temptations of democracy. Although King Fahd was reported to have suffered a stroke in early December, the House of Saud insists there will be no succession crisis. The Sauds are proud of their leadership, which they say was vindicated in 1991 when Saddam Hussein's army stood at the border and the Saudi people rallied round.

Yet to the royal family's dismay, discontent has risen steadily since the Persian Gulf War ended five years ago. The war was not popular in Saudi Arabia. It aroused no nationalist fervor and was at best supported as a necessary evil. Before and after the fighting, many questioned the government's judgment in summoning an infidel army to defend the country against aggressive fellow Arabs. Where, they asked, had the billions gone that had been spent over the previous decade on national defense?

In November a car bomb destroyed a building in Riyadh in which American military personnel assigned to train the Saudi armed forces were based. Five Americans were killed and about 60 injured, and at least one other foreigner died. Weeks passed without the government issuing a report on the blast. Its only announcement was a

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denial—skeptically received—that internal forces were responsible. Iraq or Iran, it said, was the most likely culprit.

Other signs of domestic discontent were harder to deny. In the fall of 1994, Safar al-Hawali, a clerical critic of the royal family, was arrested in Mecca, where he taught at the Islamic university. A few days later, Sheikh Salman al-Audah, who had denounced the royal family from the podium of his mosque in Buryada, was taken into custody. Audah's arrest by antiriot troops over the protests of hundreds of his supporters, though blacked out by the Saudi press, was clandestinely videotaped and disseminated throughout the country.

That week as many as a thousand dissidents were secretly detained in a countrywide sweep. Reports of the arrests published in the international press were officially dismissed as "lies and misleading information." The government finally admitted seizing 157 men on charges of sowing dissent. Most, it said, had been released after confessing error, but 27 remained in custody, Audah and Hawali among them. The government went on to warn of dire consequences for repeat offenders and promised harsh measures against those who committed "any action that undermines the faith or the [internal] security of the country."

INSECURITY AND ITS DISCONTENTS

MOST SAUDIS agree the trouble started when the government brought in American and other foreign troops to fight the Gulf War. The royal family, they felt, thereby defaulted on the basic compact of the state, under which the many lesser tribes have pledged their fealty to the Saudis, a strong tribe, in return for protection. The deal, rooted in desert tradition, has given Arabia nearly two and a half centuries of relative stability, and lies at the heart of the Saudi autocracy. In the war and its aftermath, Saudis turned a critical eye on the system. Despite the ultimate victory, the war left a shadow over the Saud family's political legitimacy.

"Saudis are not used to being in danger, and though Riyadh took only a few Scud missiles, we didn't like it," an intellectual said to me in his home last summer. Like most Saudis I met, he agreed to talk only if I promised not to identify him. "Of course, these matters were

not discussed publicly. The newspapers, as always, were obediently silent. But we were very angry at being unable to defend ourselves.

“Even now, we see ourselves surrounded by neighbors that don’t like us—Iran, Iraq, Sudan, Yemen—and we wonder what’s next. The West seems to think that the impact of the war was cultural, that we were upset by women in T-shirts driving jeeps. But the truth is, we felt the royal family had let us down.”

In May 1991, barely two months after the war ended, some 400 Islamic intellectuals, Audah and Hawali among them, submitted a letter to King Fahd calling for a series of governmental reforms. Low-key though it was, this was the most daring challenge to royal authority since Islamic extremists’ violent occupation of the Grand Mosque in Mecca in 1979. The government, in fact, lumped the 1991 signers with the 1979 extremists, and indeed their grievances were somewhat similar, in that both called for an end to the Saud family’s corruption, ostentation, and imitation of the West. Hawali and Audah, however, went further, pressing such purely political demands as public accountability, equality before the law, an independent judiciary, and popular participation (though not necessarily democracy) in decision-making. Their aim, in short, was to curb the royal family’s absolutism.

In the months that followed, the government fumbled about, taking no punitive steps. The leading Islamic elders dutifully denounced the petition for its disrespect to the king but were themselves ambivalent. The problem facing both the political and religious hierarchies was that among the dissenters were distinguished clerics recognized not just for their intellect and integrity but for their piety; the next generation of religious leaders, these men could not easily be dismissed. Sensing the indecision, the dissidents issued more statements, attracting more signers. In a 45-page manifesto in September 1992, they boldly attacked the clerical elders for endorsing the king’s domestic and international policies.

Meanwhile, a second protest effort was being organized, this one from outside the religious establishment. To describe it as secular would be inaccurate, for in Saudi Arabia whatever is political has an

Why did an infidel army
have to be summoned
to defend Saudi Arabia
against fellow Arabs?

Islamic component. Saudis respond not to Rousseau or Jefferson, a professor reminded me, but to the Prophet and his followers; occasional Western-style protests have gained no public support.

The organizer of the new protest was Muhammad al-Massari, a practicing Muslim about 50 years old, with a doctorate in theoretical physics

In this conformist society, calls for reform—any reform—are almost intoxicating.

from the United States. A faculty member at King Saud University in Riyadh, he had been a sporadic critic of the government, but the Gulf War turned him into a full-time dissident. Many of his followers had collaborated with Audah and Hawali, but for the most part they were businessmen, professors, judges, and other professionals rather than clerics.

On May 3, 1993, in Riyadh, Massari announced the formation of the Committee for the Defense of Legitimate Rights (CDLR), which he described as an association devoted to human rights and political reform—within the context of Islamic law. The announcement shattered the government's lethargy, and several days later Massari was arrested. Dozens of CDLR sympathizers, many of them Massari's kin, followed him to prison in the ensuing months. Tried and convicted of heresy, Massari remained in custody until early 1994. A few months later he slipped across the border into Yemen and turned up in London, where he established a CDLR office. Since then, he and a handful of associates have provoked the royal family by feeding information and criticism via telephone, fax, and bootleg cassette to the international press and the intellectual grapevine inside Saudi Arabia.

Currently the relationship between the CDLR and the Audah-Hawali dissidents is uncertain, as is their doctrinal compatibility. In the Saudi tradition, both make their demands in the name of Islamic orthodoxy. Neither professes such liberal values as popular democracy, unlimited freedom of expression, equality for women, or religious freedom. (Being Sunni, both keep Saudi Shiites, a substantial but powerless minority in the country, at arm's length.) Both groups are faintly anti-Western and not so faintly anti-Israel. Both speak more of reform than rebellion, and neither seems to have plans for moving beyond peaceful protest.

Sympathizers admit that the dissidents do not at present have a popular movement backing them. Massari's calls for sit-ins in the mosques on Fridays have evoked no response. Under Saudi law, political organizing is prohibited (even parent-teacher associations are banned), and Saudis I met, including the harshest critics of the government, acknowledged, with some embarrassment, that they had no stomach for defying the rules. Still, one told me, the dissidents represent an "attitude" that is spreading.

As for its ultimate goals, the CDLR seems more concerned with conventional politics, whereas the Audah-Hawali doctrine is more theological and may in fact stand on a foundation that resembles Khomeinism. But for now the two groups are in tacit alliance. While Audah and Hawali sit in detention, Massari in London churns out faxes extolling the "martyrs" in the homeland who are bravely confronting the repression of the House of Saud.

Some Saudis dismiss the protests as generational: the dissidents are mainly in their thirties and forties while the ruling elites, political and religious, are in their seventies and eighties. Few in the country dispute that a changing of the guard is overdue.

But the dissidents' appeal is by no means limited to the young. During my month in Saudi Arabia, Audah, Hawali, and Massari were the talk of every drawing room and many of the offices I visited. Saudis are no doubt attracted simply by the dissidents' daring. The culture of the country is not only politically repressive but also imposes rigid conformity on social behavior, on what people read and how they dress. Social norms had never been challenged, but the Gulf War snapped the reticence. Now calls for reform—whatever the reforms may be—seem almost intoxicating.

What stuns the royal family is the dissidents' Islamic claims. The Sauds' legitimacy is founded on their championship of a particular brand of Islam and their adherence to its strictures. They would never describe their foes as fundamentalists because they reserve that term to describe themselves. Their tactic is to denounce the dissidents as fanatics who are degrading the faith for impious ends. They cannot, however, conceal their pain, for the dissidents have put them on the defensive in their own game.

THE KINGDOM AND THE CLERICS

THE MODERN Saudi state was built on the ruins of the system Muhammad established 1400 years ago. In the centuries after the Prophet's death, Arabia drifted away from the rigorous form of monotheism he had introduced, and the center of the Islamic world moved elsewhere.

Like the Prophet before him, Muhammad ibn Abd al-Wahhab, an itinerant preacher, was deeply troubled by the state of affairs in Arabia. Born in a southern oasis in 1703, he studied in Medina, then in Iraq and Iran, and returned home committed to leading a revival. Ibn Abd al-Wahhab's aim was to restore the Prophet's Islam, which meant to him not only rigor in religious practice but austerity in social behavior. His puritanical views made him few converts, so he set out to find a tribal leader to help him promote his sacred cause.

In 1744 Ibn Abd al-Wahhab persuaded Muhammad ibn Saud, a tribal chief ruling over a small village, that Islamic revivalism could fuel the latter's ambitions for territory and power. The two men exchanged oaths of fidelity, and Ibn Saud embarked on a holy war against the infidels of Arabia. In a series of military campaigns, the chief and his descendants unified the peninsula, and by the end of the century they had reduced the shrines of the apostates to ruins.

The alliance between the two families is the core of the state to this day. The Sauds are the enforcers of Islamic orthodoxy, while the descendants of Ibn Abd al-Wahhab provide them with divine legitimacy. The kingdom they created in Arabia was twice brought down by the Ottomans, and the British nibbled off pieces. Yet the alliance proved resilient. After each fall the state picked itself up and, with popular support, rebuilt its institutions, without ever abandoning its unique mix of religious and temporal authority. The parallel hierarchies that governed 250 years ago still govern today.

In theory the monarchy is the executive and the ulema—the organization of the clergy—the moral guide, but in practice the two are often rivals, each tugging constantly at the other. Yet they understand their mutual dependence. The dissidents demand reform, but history strongly suggests that the Saudi regime has survived this long precisely because it has never altered its basic structure.

Abdullah bin Muhammad Al al-Shaikh, the minister of justice, is an example of the system at work. A direct descendant of Ibn Abd al-Wahhab, he gravitated through family ties into the clerical establishment. Educated at Imam Muhammad bin Saud University in Riyadh, familiarly known as Imam University, where most of the high clergy are trained, he received a doctorate in Islamic law and became a professor, then a dean. Now 46, he presides over the country's Islamic system of law, the only law it has.

He speaks softly but conveys great certainty.

"Islamic law requires the presence of a state," he told me in a conversation at his ministry. "My ancestor could have gone to the mosque to seize political and religious power, but he understood his limitations.

He imparted to Muhammad ibn Saud the wisdom he needed to become caliph, a successor to the Prophet Muhammad. His personal mandate was to be the ruler's guide, but even in religious matters the state is the final authority."

When I asked Shaikh how Islam responds to the corruption in Saudi Arabia about which I had heard so much, rather than dismissing the question he had a ready answer.

"It is forbidden in Islam to raise a hand against a ruler. If he makes a mistake—even a big one like corruption, and that includes adultery or stealing or drinking—overthrowing him is prohibited. If he forces others to violate Islam, you may refuse to follow him, but you can go no further. Overthrow of a ruler is not permitted, because when a people is without a ruler the result is *fitna*—public disorder—and that is worse than corrupt rule. Obedience to rulers is part of Muslim practice."

The most serious strains between the kingdom's two hierarchies have been brought on by the intrusion of Western ideas, especially in the guise of technology. The royal family has consistently had to concede power to the clergy in return for its acceptance of modernization. To bring radio stations to Saudi Arabia, the king promised broadcasts of the Koran, which now dominate the airwaves. To win consent for girls' education, he granted the administration of the schools to the ulema. When Khomeini's revolution threatened to make Iran more Islamic than Saudi Arabia, the king bowed to the clergy's request that he close movie the-

The royal family has responded to every crisis by granting more power to the clerics.

aters and ban music and drama from television. More recently he had 70 women arrested for demonstrating for the right to drive, after which the clergy endorsed the stationing of some Western troops on Saudi soil.

"By Saudi standards the king is probably very enlightened," said the editor of an Islamic paper. "In terms of social change he is ahead of the people. We have an enlightened, Western-oriented middle class, which favors reform. Its members behave un-Islamically



King Fahd

when they go to London or Cairo and even behind the doors of their own homes. They'd like to end the hypocrisy, but the national consensus remains very Wahhabi. The women who demonstrated for the right to drive did not get public support, and the king was applauded for punishing them. The clergy are not the only obstacle. Fahd can't be more liberal than the masses."

A Western-educated intellectual had a different take on clerical power and social stasis. "In recent years," he said, "this country has exploded with new experiences, in technology and in areas like banking and management. But the old social issues remain untouched.

Islamic society has not resolved three questions: where women fit in, what the goal of education is, and how much freedom of dissent the people and the media should be granted.

"Meanwhile, conformity grows worse. Our clergy are certainly as powerful as the Catholic hierarchy, and Imam University is our Vatican. It funnels a great number of Islamic Ph.D.s into big jobs in the government. Many of them work in education, enforcing the directives of the ulema.

"These people brainwash our students. A few decades ago Saudis were mainly illiterate, but now thousands graduate every year. Many return to the schools as teachers—particularly the women, since no other work is available to them—where they reinforce religious thinking. Before higher education was developed here, most of our students went abroad, and they came back with some modern ideas. Now we have seven universities, and our students stay home and be-

come more ingrown. It is ironic that when the schools were established they were regarded as a liberalizing instrument.

"The royal family has responded to every crisis by granting more concessions to the clerics. It thinks it is co-opting them, but they keep demanding more. What they bring us is not higher spiritual values but more ritual, which translates into greater doctrinal and social conformity. We still have the *mutaween*—the religious police—patrolling the streets and the markets to make sure people are saying their prayers. There are more beards among the men, and more veils on the women. But we are not better Muslims, because as you ritualize religion, you marginalize belief.

"I'm not certain that Audah and Hawali, rebellious as they are, depart from this pattern. They come from the trend that says women shouldn't drive and Shiites are not Muslims. They demand political accountability, but they urge even greater restrictions on popular freedoms. As for Massari and the CDLR, they are apparently still developing their ideas. I think they represent a progressive view of Islam, but it's like the opening frames of a movie—we still don't know the plot.

"We hope the younger generation of the royal family will be different. Its members still go abroad to school and are said to understand that the country is being held back. But it will be a long time before the old men who rule us now give way to the next generation."

LESSONS NOT LEARNED

THE ROYAL family's failure to learn more lessons from the war—financial, military, and political—left many Saudis disenchanted.

Because the government releases whatever information it chooses, no outsider can pretend to have a clear picture of the state's finances, but a reasonable guess is that the war cost Saudi Arabia about \$60 billion. This came on the heels of some \$30 billion that Saudi Arabia contributed in the 1980s toward Iraq's expenses in the war against Iran. The state may have spent another \$50 billion refitting its forces after the Gulf War. To pay these huge bills, the government had to draw down its reserves.

Though temporarily pinched, Saudi Arabia is far from poor. Oil prices and sales indicate that reserves have begun to rise again in the

past year or so. The state still levies no income or profits taxes. But it bothers many Saudis that the royal family, faced with the extraordinary expenses, has shown little inclination to change its spendthrift ways.

Unlike his predecessors, King Fahd is said to impose no limits on family members' spending. Some 5,000 princes and an equal number of princesses continue to receive large stipends every month for no work. The Saudis still build lavish palaces and pocket huge commissions on foreign contracts, and they pay nothing for utilities, airplane tickets, and other state services. For the first time, moreover, the king is said to condone the princes' muscling in, Mafia-style, on private businessmen. These practices are straining the patience of a class that has always been loyal to the status quo.

Similarly, the war produced no revision of national security policy. Although it invests heavily in air defense, the country spends very little on its ground forces. The most embarrassing question I could ask Saudi officials, it seemed, was why Saudi Arabia, with a larger population and greater wealth than Israel, could not build a comparable defense force. Officials would admit that the royal family has no appetite for a strong standing army. (The ground forces historically have been divided into two bodies, making them rivals of each other rather than the monarchy.) Pentagon sources have described Saudi Arabia's defense strategy as preparing the infrastructure a friendly foreign force would need while limiting itself to the power to delay an aggressor—a carbon copy of the Saudi role in Operation Desert Storm.

"Moving from a state of scarcity a few decades ago, our priority was a good life, not a defense force," said Prince Saud al-Faysal, the Saudi foreign minister and a nephew of the king. "Building an army cannot be our top priority. The comparison with Israel isn't fair. Our achievement in the Gulf War was to retain our cohesion with hundreds of thousands of foreign troops on our soil. We recognize that every country should be able to defend itself. But to deal with the Soviet Union, the West relied on collective security for decades. We applied this principle to Saddam Hussein, to the benefit of both ourselves and our allies. We are prepared to rely on it again."

WHISPERED ADVICE

THE BIGGEST change in the wake of the Gulf War was King Fahd's appointment of a Majlis al-Shura, or Consultative Council. *Shura*—consultation between the ruler and the ruled—is enjoined in the Koran, and as such, is one of Islam's few political commandments. Some Islamic thinkers take it as a call for democratic government. The House of Saud interprets it far more modestly.

Originating in Bedouin practices, *shura* had long been part of the state machinery, falling into disuse only when a cabinet system was adopted in the 1950s. On assuming the throne in 1982, King Fahd promised to restore *shura*, and had a sumptuous palace built for the purpose. As time passed, Saudis grew skeptical, but shortly after the war a law establishing the Majlis al-Shura was issued, and in 1993 the body met for the first time.

The king named all 61 members of the Shura. Tapping no royals, he weighted the body toward academics, then added engineers, businessmen, doctors, lawyers, religious scholars, and retired civil servants. The appointments followed no pattern of geographic or tribal distribution. Naturally no dissidents were named. The principal qualifications seemed to be intellectual achievement and practical experience. More than half the members are Ph.D.s, and two-thirds studied in the West.

The body considers drafts of laws and international agreements that the king submits to it; the budget is not included in its legal mandate. Organized like a parliament, it has committees that hear outside testimony and send recommendations to a plenum, which debates the issues and reaches decisions by majority vote. It is empowered to summon government officials and request state documents but was given no watchdog functions. What mainly distinguishes it from a real parliament is that its decisions have no binding force.

Abd al-Aziz al-Fayez, a respected political scientist from Riyadh University, said he was surprised when the king named him to the Shura. Flattered, he, like the others, agreed to serve full time for a four-year term, receiving a modest stipend. His fellow members are conscientious, he said, and their debates are thoughtful and respectful. None of them, however, has any illusions about the council's power.

"We're Saudis, and we're used to paternalism," Fayez said. "We were instructed to give our honest judgments on public issues, and we do. We provide information and analysis from outside the ministerial circle. In short, we are a body of advisers to the king, nothing more."

According to Fayez, the king seems to take the council's recommendations seriously. Its deliberations are secret, however, and its members are barred from discussing any of its business with the press. Many Saudis are not aware that the body exists, and others mock it because they have no idea what it does. Critics of the government regard it as a political lapdog designed to give the king cover against charges of despotism.

"The people are not meant to be represented in the Majlis al-Shura," said Sheikh Muhammad bin Jubair, the old tribal chief who serves as its chairman. Jubair, surrounded by aides, received me beneath a glittering chandelier in a cream and gold sitting room at the council's palace. "If we left it to voters, they would not choose members qualified to offer the king advice—they would elect tribal chiefs unable to read or write. Instead, we have educated men, real experts. The Shura is not a legislature, and it is not a step toward democracy. It is our own system, coming from our religion and habits and tradition."

Abdullah al-Naseef, the Shura's deputy chairman, takes a different view. Naseef studied in the mid-1960s at the University of California at Berkeley, and though he acquired some unfavorable impressions of American freedoms, he is regarded, within Wahhabi limits, as a committed liberal.

"Sheikh Jubair is concerned that elections will bring 'unsuitable' people to the Majlis. He thinks discord and argument violate our religion, and it is true that there are limits to speech in Islam. Our faith is our strength, and what I witnessed in Berkeley 30 years ago would not be good for us. But the government doesn't understand how badly the people want to have more say about the country. Nothing in Islam bars holding elections for the Shura, even with women as candidates. Nothing bars more open government, and I believe our meetings will soon be covered on television. I am among those who think this must be the start of Saudi democracy."

Immigration Fuels U.S. Population Growth

We at Negative Population Growth, Inc. (NPG) believe that our country is already vastly overpopulated in terms of the long range carrying capacity of its resources and environment.

We believe, therefore, that U.S. population growth should be halted as soon as possible, and eventually reversed.

But, unless our present massive immigration is drastically reduced, we will never be able to stabilize our population at a sustainable level.

In the decade of the 80s we grew by some 25 million. Immigration, both legal and illegal, accounted for about 40 percent of that huge increase in our numbers. Projections are that we will grow by at least as much in the 90s.

If present rates of fertility and immigration continue, our population, now over 264 million, will pass 400 million shortly after 2050, with no end to growth in sight! Such growth would be catastrophic both for our environment, and for our standard of living.

We need to halt **illegal** immigration and reduce **legal** immigration to a comprehensive ceiling of 100,000 a year, including all relatives, refugees and asylees.

Advocates of Massive Immigration Are Wrong!

There are powerful forces that fight not only to keep immigration at the present high level, but to increase it. Among them are employers who want low-wage labor, ethnic groups whose leaders seek greater political power, and some humanitarians who believe in virtually open borders.

They also include pro-growth advocates who believe that an ever-growing labor force, fueled by immigration, is necessary to achieve their goal of an ever-increasing GNP. That goal, in the real world of environmental and resource limits, is a recipe for disaster.

How Can We Best Help Others?

Beyond any question, the United States should maintain the humane policies toward immigrants and refugees that have characterized its past.

But we need to express our compassion in an intelligent way. Our priority should be to improve living conditions in the developing countries, rather than to allow vast numbers of their citizens to settle here.

World population is growing by some 90 million a year, and almost all of that growth occurs in the developing countries. We cannot possibly allow more than a tiny fraction of those millions to come here. What can we do to help all those who have no choice but to remain at home?

One thing is crystal clear. The problems of the underdeveloped countries are beyond solution by emigration. To pretend otherwise is simply self-delusion.

Nothing can permanently improve living conditions in these countries unless they first halt their population growth, the root cause of their poverty and environmental degradation.

Those who assert that eradicating poverty is a prerequisite for halting population growth have the process just backwards. Only after halting their population growth can developing countries even begin to bring their standard of living up to an adequate level.

We should spare no effort or expense to help those nations that are prepared to make a determined effort to halt, and eventually to reverse, their population growth.

We Need A Sensible U.S. Immigration Policy

We cannot continue to allow our national immigration policy to be dictated by special interest groups who pursue their own agendas without regard for the broad national interest.

Our immigration policy should be an integral part of a national population policy aimed at halting, and then reversing, our population growth, so that U.S. population can eventually be stabilized at a lower, more sustainable level.

As Americans, our first obligation, to ourselves and to our children and grandchildren, is to restore and preserve the land we have inherited. In shaping our immigration policy, our top priority must be our own national interest, and the welfare of present and future generations of Americans.

To learn more about NPG's recommendation for programs designed to halt, and eventually to reverse, U.S. and world population growth, write today for our **FREE BROCHURE**.

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AUDIENCES WITH THE PRINCES

PRINCE SALMAN bin Abd al-Aziz, the youngest full brother of King Fahd, has been governor of the province of Riyadh—a rather good governor, most say—since 1962. Not yet 60, he is said to be a sure bet to become king in time. The current heir to the throne, however, is Prince Abdullah, a half brother who at 72 is just two years Fahd's junior. In a society that reveres blood relationships, the king's selection of a half brother as his successor puzzles most Saudis. Abdullah, the commander of the National Guard, is not particularly close to the monarch, while Prince Salman is one of his most trusted advisers.

Prince Salman denies that the royal family is aloof from the people, as many Saudis claim. In an interview at the governor's offices in downtown Riyadh, he explained that the leading princes are kept informed not just by the intelligence services but by meeting personally with private citizens. The prince himself holds an audience twice a day, during which all Saudis are invited to bring him their problems. At his invitation, I witnessed one of these sessions, held after the noon prayer in a huge, opulent receiving room in the palace. Dozens of robed men, most with the sun-dried faces of Bedouins, sat in chairs around the periphery, rising deferentially when Salman entered. Each in turn approached the throne, shook the prince's hand, presented him with a petition, and for a few seconds delivered a personal plea. The issues were private, I was told, like getting an elderly mother into a hospital or a miscreant son out of jail. The prince listened, then handed the petition to an aide, to whom he whispered instructions. It was a touching scene of desert governance transposed to modern times; whether it conveyed to the prince what the people were thinking about his family was another matter.

"Yes, the royal family is aware that there is discontent in the kingdom," Salman told me. "Like all Saudis, we are looking for the best for our country. But we are not prepared to undermine our cultural strengths or to adopt practices that do not suit us."

"Our goal is to preserve our country's unity. Arabia used to be a collection of regions and tribes; now we are becoming a single family, under a king who loves us. Troublemakers like Audah and Hawali don't represent our people. They are only promoting anarchy. We

know we as Saudis have not attained perfection—there is no ideal system on earth. But we are developing our country within a context of faithfulness to our traditions.”

In several talks with members of the royal family, I frequently heard the disarming admission that the Saudis were not perfect. One prince acknowledged that family members sometimes engage in corruption and conceded that princes suffer lapses from Islamic

Look at other countries
with oil, apologists say,
and thank the royal
family for saving us.

morality, into alcohol or adultery. I heard princes admit that the enormous oil wealth of Saudi Arabia has been, at the least, mismanaged. But the family line seems to be that the Saudis have, in the final analysis, done rather well by their country.

More than one Saudi—loyalists, to be sure, if not apologists—asked me to weigh the following: “Look at other countries that have been blessed with oil riches. We could have become a snakepit like Algeria or Venezuela or Nigeria. But we didn’t. Just take a look around at what we have become.” And to confirm the boast, one need only regard Saudi Arabia’s prospering cities, its efficient communications and transportation systems, its universities and factories and mosques, and note the sense of order that pervades the society. Yet the royal family is troubled today because Massari and the CDLR along with Audah, Hawali, and their followers—and perhaps the unidentified car bombers who struck in November—do not consider these achievements enough.

Prince Nayif, another of King Fahd’s full brothers, is indignant that a Muslim would challenge the Saud family’s statecraft. As minister of the interior, Nayif is the kingdom’s chief law enforcement officer. Within the circle of the king’s intimates he is regarded as a hard-liner, although it is difficult to pin down gradations in the brothers’ attitudes. Nayif was the most affable of the princes I met, but the dissidents’ demands for reform clearly exasperated him.

“The king has an open heart and an open door, and we will examine any proposal that does not contradict Islamic law. But the reforms Audah and Hawali called for are not legitimate, and by exposing their petition to the world they embarrassed us. That was unacceptable. The public also believes that their bringing their cause to the mosque

was a violation of Islamic principles. Ours is an Islamic state, and our family does not need such people to tell us about Islam.

“Unfortunately, all these men have been influenced by external forces—the Muslim Brothers in Egypt and perhaps the so-called liberal reformers among the Arabs. But we are not concerned by the thoughts of these people; what they recommend will never influence us. As for our own misguided citizens, their beliefs have an Islamic face, but behind them are their personal interests. Either they will be convinced of their wrongdoing and repent—the king usually accepts a sincere apology—or they will be subjected to the strict punishment of Islamic justice.”

At this point, Prince Nayif digressed, unbidden, into a rambling defense of Saudi justice, denying charges leveled by human rights organizations, including Amnesty International, of torture, kangaroo trials, and offhand executions, usually by public beheading. Returning to the Saudi dissidents, he continued: “These misinformed men are damaging themselves more than they are damaging our country. After listening to them, we see no reason to change our course, and we will not—neither I nor my family.”

No Saudi I encountered expressed a belief that the dissidents Prince Nayif reviled had any immediate prospect of triumphing over the royal family; the Sauds’ roots are too deep in the society. Some Saudis, however, expressed resentment that the United States had put no pressure on the royal family to be more attentive to human rights. It is true that Washington treats the Sauds, as proprietors of the world’s greatest oil reserves, extremely gently. Still, most acknowledge that the differences between the royal family and its subjects are, ultimately, a problem that only the Saudis themselves can solve, and they say that the contest is only now beginning. It seems to me that the Sauds have not grasped the depth or breadth of the discontent simmering in their ordered land. Despite their apparent invulnerability, I suspect that they ignore it much longer only at their peril. 🌐

France's Nuclear Dilemmas

David S. Yost

TESTING TIMES

FRANCE CONDUCTED an underground nuclear test in French Polynesia last September, breaking a three-year-old moratorium on nuclear weapons testing that had been observed by the other recognized nuclear powers with the exception of China. The test, one of a series France plans to complete before it signs a comprehensive test ban treaty (CTBT) later this year, sparked protests worldwide. Unfortunately, the controversy over the tests has overshadowed France's more fundamental and long-term nuclear dilemmas. The challenges facing France are threefold: maintaining the deterrent under a test ban, giving form to the government's vague proposals for "Europeanization," and forging agreement on the extent to which nuclear weapons could be used to deal with the proliferation of weapons of mass destruction.

President Jacques Chirac remains determined to complete this final test series, contending that it is needed to obtain additional data for the development of simulation capabilities, intended to enable France to do without future tests. By validating design adjustments to give the weapons greater "robustness," it can help ensure that no safety, security, or reliability problems arise as weapons age under a no-test regime. The tests also aim to qualify the new TN-75 warhead for submarine-launched missiles, expected to be in service for at least two decades.

The French government acknowledges that it, together with the

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other recognized nuclear powers, agreed in May 1995 at the Nonproliferation Treaty (NPT) extension conference in New York to “exercise utmost restraint” pending a CTBT. From France’s perspective, however, a final series of between six and eight tests demonstrates such restraint. French officials dismiss as ludicrous the argument that these tests will jeopardize the prospects for concluding a CTBT because their purpose is to enable France to observe the ban and because Paris has worked to promote the successful and timely completion of the negotiations. They consider ill-founded and uninformed the contention that these tests will incite nuclear proliferation, for the series is unlikely to have any notable impact on the choices of countries that may aspire to nuclear status, such as North Korea, Pakistan, India, Iran, or Iraq. Countering claims that the tests might cause environmental damage and pollution, the French government has adopted a policy of transparency—unmatched by any other nuclear power—on the history of its nuclear testing, the purposes of the tests, and the state of the test site. The Gaullists and other center-right politicians, supported by some Socialists, have responded to the protests abroad by alleging that critics are either naive and misguided or opposed to France’s economic and security interests, including its presence in the Pacific.

International protests were apparently partly responsible for the French government’s August announcement that it would endorse a “zero yield” test ban, making it the first government to articulate support for a truly comprehensive CTBT, in contrast to proposals that would have allowed small-scale tests. Chirac apparently decided to adopt the zero-yield position despite reported arguments from the French military-technical establishment for permitting nuclear explosions equivalent to between 100 and 300 tons of TNT. A limit of this magnitude might have implied continued use of the Pacific test facility or the construction of another site, perhaps in France itself. The adoption of the zero-yield principle and the decision to convert the Pacific test facility to other purposes after the completion of the test series furnished the backdrop to the announcement, in October 1995, that the United States, Britain, and France will sign the 1985 South Pacific Nuclear Free Zone Treaty, also known as the Rarotonga Treaty, this year.

Even though French officials profess to foresee no fundamental problems in maintaining the credibility of the deterrent forces under

a no-test regime, a CTBT may lead France into a situation of significant uncertainty, increased costs, and potential dependence on the United States. The chief uncertainties are associated with maintaining the safety, security, reliability, and technical credibility of France's nuclear forces under a CTBT. Since its first nuclear test in 1960, France has tested relatively frequently. According to some analyses, France has conducted more extensive testing per warhead type than the other

A no-test regime could raise doubts about the safety and reliability of France's nuclear stocks.

four acknowledged nuclear powers. Not surprisingly, then, the French appear to have greater reservations about a no-test regime than do the British and the Americans.

The final test series notwithstanding, under a CTBT the cost of precautionary measures is likely to increase, together with doubts about the safety and reliability of

France's nuclear stocks. To compensate for these doubts, Paris may adopt a more cautious approach in manufacturing weapons of tested designs. They would not necessarily have higher yields, but they might be physically heavier and larger, with more safety features and other "margins of security" and could, therefore, result in greater costs. For instance, the submarine-launched missiles of the next generation might have to be larger to provide for greater throw-weight, or carrying capacity, as well as increased range.

French authorities maintain that the no-test regime will rule out the acquisition of low-yield or special-effects weapons, such as the enhanced radiation or "neutron" warheads that France reportedly tested in the late 1970s, despite the options of using only the fission primary (or first stage) of a thermonuclear weapon or relying on a previously tested design. In fact, French practices and safety and reliability standards suggest that no new warhead types will be developed under a no-test regime.

If France sought closer cooperation with the United States for test simulations, the implied reliance on America might be distasteful to the French, who ardently protect their self-image of independence. Although cooperation might prove productive in areas such as high-energy lasers and advanced computers, it could be of only limited value in others. Moreover, U.S. simulations data might not be readily useful because of differences in weapon designs and man-

ufacturing processes. Even if such cooperation could be beneficial, a substantial part of the French elite appears to fear that it could ultimately draw France, much like Britain, into a condition of technical dependence on the United States.

In contrast to the United States and other Western countries, the French political and military-technical elites seem to have little faith that a CTBT will help curtail nuclear proliferation. French strategic analysts underscore the limitations of a CTBT, noting the ease with which radiological dispersal devices or first-generation explosive weapons, the most feasible and perhaps the most likely forms of proliferation, could be built without tests; the minimal role of testing, compared to regional ambitions or perceived security requirements, as a provocation spurring nonnuclear states to seek the weapons; the possibility that the ban will not be universal; and the risk of cheating with low-yield tests that might be undetectable.

French officials nonetheless support a CTBT for two reasons. First, they hope that the treaty, despite its limitations, will reduce the proliferation of nuclear weapons, especially by upholding a strong NPT regime. Second, they adjudge the accord politically unavoidable in light of the international context created by the end of the Cold War, the NPT extension conference, the CTBT negotiations, and the widespread antipathy to testing, notably in the United States, Japan, the South Pacific countries, and the nonnuclear countries of the European Union (EU).¹

A NUCLEAR EUROPEAN UNION?

SINCE DE GAULLE, France has regarded its nuclear weapons as central to its autonomy in relation to its allies, including its partners in the EU. In recent debates, however, the French have expressed a new openness to a dialogue with their European allies about nuclear deterrence.

This past August and September, amid protests over its tests in the Pacific, France became embroiled in a related controversy over what seemed to many to be new proposals, advanced by Chirac and Prime Minister Alain Juppé, for the "Europeanization" of France's

¹ See "France Resumes Nuclear Testing," an essay to which the author contributed, in *Strategic Comments*, International Institute for Strategic Studies, London, August 31, 1995.

deterrent. In justifying the tests, Chirac referred to the French deterrent possibly “playing a role” in the defense of the EU. Juppé called for carrying forward the work of the Franco-British Joint Commission on Nuclear Policy and Doctrine, permanently established in July 1993, and emphasized that he wanted to include Germany, “our closest ally,” in a dialogue with the nonnuclear EU members. He said that the EU must aim to forge “a common vision of our values, our interests, and our role in the world,” but he acknowledged that it would require “a difficult debate.”

How difficult it would be quickly became apparent. Because of the testing uproar, Juppé’s statement that “by ensuring its deterrent capabilities, France is performing a service for peace and Europe” was widely construed throughout Europe as an effort by the French government to dampen the complaints over the tests, shift attention from them, and even make others share responsibility for them. The suggestion that France was testing for the EU’s security as much as its own

France is open as never before to links with NATO and its Nuclear Planning Group.

was rejected in several quarters with disdain and disbelief. Skepticism about the credibility and utility of the French proposal marked German media commentary from *Der Spiegel* to the *Süddeutsche Zeitung*. The Swedish foreign minister, Lena Hjelm-Wallen, said that her country favored a world without nuclear weapons and had no interest in nuclear deter-

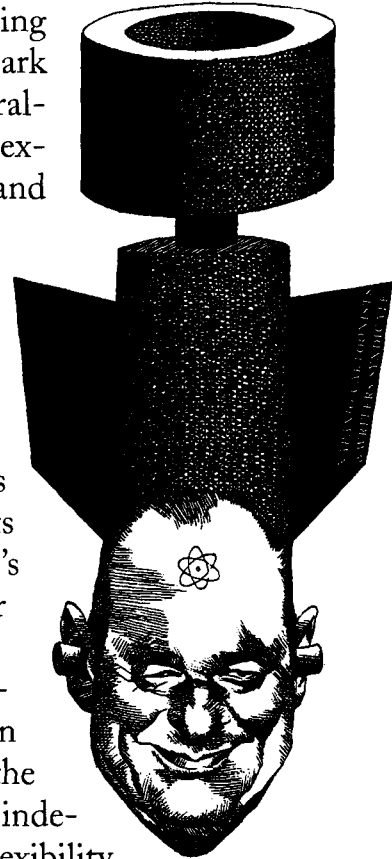
rence or an EU common defense. Several members of the European Parliament, particularly from the Socialist and Social Democratic Parties (except for the French Socialists), expressed doubt that with the Cold War over, the EU still needs nuclear deterrence arrangements. Some European critics of the tests declared that France’s unilateral decision was inconsistent with the mutual-consultation obligations that should apply within the EU’s effort to devise a common foreign and security policy.

French officials were perplexed by the virulent reactions, for both Chirac and Juppé had simply repeated proposals they had made at the beginning of 1995—Juppé in speeches in January and February and Chirac in his major foreign policy address as a presidential candidate in March. Chirac had made similar statements in 1987, and de Gaulle had at times voiced such ideas in the 1960s. Perhaps for domestic political

reasons, however, neither mentioned President François Mitterrand's January 1992 call for discussion of a "European doctrine" for the French and British nuclear forces or the several statements on the subject by Socialist government officials that year.

While frustrated at the reproaches about testing from long-established EU countries such as Denmark and Italy as well as newer EU members with neutralist traditions such as Sweden, French officials expressed gratitude for the restraint of the British and German governments, particularly that shown by German Chancellor Helmut Kohl. Germans who have supported the French initiatives have nonetheless been careful to add that the French deterrent must complement U.S. nuclear commitments. The most practical solution to the problem of retaining U.S. nuclear guarantees while making explicit France's commitment to its European allies would be for France to join NATO's Nuclear Planning Group, the body responsible for the formulation of nuclear policy.

French politicians and commentators have, however, argued since the late 1960s that participation in the NPG would entail strategic subordination to the United States. While reinforcing France's sense of independence, this myth has hindered the country's flexibility. Mitterrand's experience in 1992 is relevant to the current situation. His proposal went nowhere when Britain and NATO's nonnuclear members made clear their lack of interest in any arrangement that might deprive Western Europe of U.S. nuclear protection and place the NPG in jeopardy. Although its forces operate independently of the United States, Britain has long been committed through the NPG to the security of its nonnuclear allies. High-level French officials have recently hinted that Paris might consider a formula whereby France would participate in an Atlantic alliance framework for nuclear consultations, perhaps involving links with the NPG. Juppé has pointed out that France's long-standing doctrine was devised to deal with the "strategic equation" of France versus the Soviet Union and did not take into account France's



alliances; he has acknowledged that France “must learn how to introduce the collective dimension as a constituent factor in our doctrine.”

French Foreign Minister Hervé de Charette has suggested that France’s national deterrent could gain such a dimension through an arrangement in which several powers would jointly deliberate but Paris would make the final decision on employment. De Charette noted that this is how the NPG works: the American president and the British prime minister make the final decisions about the use of their nations’ nuclear forces. He concluded that although the solution in the French case will “not necessarily” be the same, the difficulty has been encountered before in the Atlantic alliance and is “not insurmountable.” Some French experts and journalists have suggested steps short of French membership in the NPG: for instance, opening the French-British dialogue to Germany and then extending a tripartite arrangement to other European countries or establishing a Western European Union group to discuss nuclear weapons matters.² The significant and unprecedented development is France’s new flexibility regarding a consultative process that could lead to greater transatlantic consensus on principles of nuclear deterrence and employment, with the door apparently left open to previously unthinkable links to the NPG and perhaps to other adjustments in France’s relationship with NATO.

WHEN TO USE THE BOMB

THE FINAL French nuclear dilemma concerns the most fundamental of nuclear doctrine questions: under what conditions should France threaten to use nuclear weapons? During the Gulf War, Mitterrand ruled out nuclear retaliation against Iraq for the use of chemical or biological weapons. His policy was sharply criticized at the time by cen-

² See, among other sources, Daniel Vernet, “France-OTAN: la fin des tabous,” *Le Monde*, October 31, 1995, pp. 1, 15; Olivier Debouzy, “A European Vocation for the French Nuclear Deterrent?” in Nicholas Witney, Olivier Debouzy, and Robert A. Levine, *Western European Nuclear Forces: A British, a French, and an American View*, Santa Monica: The Rand Corporation, 1995; and Bruno Tertrais, “Quelle dimension européenne pour la dissuasion nucléaire?” *Relations Internationales et Stratégiques*, Summer 1995, pp. 165-70. The Debouzy and Tertrais studies are representative of the thinking now current in French policymaking circles.

trist and right-wing political leaders—including Chirac—as likely to undermine nuclear deterrence. Since he took office in May, Chirac has blurred Mitterrand's distinctions about the circumstances in which nuclear deterrence might apply. In August 1995, for example, he stressed the importance of nuclear weapons in deterring attack by all nonconventional arms, saying, "Only the [nuclear] deterrent force guarantees France against the possible use of weapons of mass destruction, of whatever type they may be."

The French government seems to prefer vague nuclear threats to help deter the use of nonconventional weapons because it fears that more precise language might provoke proliferation. This concern applies to both declaratory doctrine and the weapons procured. In September 1995 Juppé stated, "Our nuclear doctrine must be concerned with being compatible with the objective of nonproliferation. That is why it seems right to me to underline once again that France has ruled out the development of miniaturized weapons for employment, which would furnish a pretext for clandestine nuclear programs."

In principle, declarations of voluntary restraint might pose problems for this policy of vague nuclear threats, for Paris has promised not to use nuclear weapons against states that are party to the NPT and do not possess nuclear weapons. In April 1995, however, Juppé, then foreign minister, declared that if France decides its vital interests have been threatened, such assurances will not hold. It is nonetheless difficult to know how to apply nuclear threats. Indeed, vague threats of nuclear retaliation may fail. If, despite France's warnings, an adversary appeared intent on using its weapons of mass destruction, France might choose to make explicit nuclear threats. If its bluff was called, France would have to take action of some kind, possibly involving nuclear arms.

French policymakers and analysts divide into two main schools of thought on effective deterrence: the "more operational" and "less operational" approaches. Broadly speaking, the more operational approach emphasizes deterrence through robust and flexible military capabilities, including nuclear forces capable of being used, if necessary, with control and discrimination. Supporters of the less operational approach have more confidence in traditional French nuclear deterrence policies, which call for responding with massive strikes, and maintain a principled opposition to limited nuclear options. Those in the more opera-

tional school have argued for low-yield and special-effects nuclear weapons, as well as tacit threats to use them, while the less operational school has opposed developing such weapons.

For some of the proponents of a more operational approach, the rationale resides in France's relatively limited conventional military forces, at least compared with those of the United States. Except in a rather restricted set of cases, a strategy less reliant on the nuclear option would imply greater dependence on coalition action, particularly

Nuclear weapons are associated with French honor and status.

with the United States. Many in France would prefer that it have the option of acting unilaterally because of the risk of American unreliability and because of the political disadvantages of being perceived as, in the words of some French observers, "merely a lieutenant to Uncle Sam." Some advocates of a

more operational approach have fallen silent of late, apparently dismayed to discover how easily their motives could be misrepresented as favoring the operational use of nuclear weapons, as opposed to the deterrent use of nuclear threats. Some now contend that long-range non-nuclear precision-strike weapons might be a wiser alternative than low-yield nuclear weapons. Chirac and other high-level officials have reaffirmed the traditional French doctrine that nuclear weapons must remain instruments of deterrence rather than combat arms. Chirac has even cited the impossibility of developing new low-yield weapons under a test ban as one of the advantages of such an agreement. In his view, low-yield weapons would be "dangerous because one may be tempted to use them more easily" than more powerful weapons.

For both schools a number of key questions remain unresolved. Can deterrent threats be effective without mutual understanding between the adversaries? For deterrence to work, is it essential for France to understand the strategic doctrines and decision-making structures of countries such as Algeria, Libya, Iran, and Iraq? Does France's lack of meaningful dialogue with the strategic elites of such countries place Paris in a difficult situation?

Most published analyses in France agree on the imperative of avoiding the use of nuclear weapons if deterrent threats should fail. Thus conventional capabilities would be preferred, even in the view of many

people in the more operational camp in terms of declared doctrine. The dilemma can be summed up as follows: unless the nation's vital interests are endangered, France cannot explicitly threaten nuclear attack to deal with proliferation challenges, yet it cannot afford the conventional capabilities that would allow it to face such challenges on its own and forgo nuclear threats. France may find that it must work much more closely with the United States and NATO as a practical matter, even though such collaboration may prove damaging to the self-image of autonomy the French political class has cultivated. France has already taken a significant step in this direction. In implementing the decision of the January 1994 NATO summit "to intensify and expand" the alliance's efforts against the proliferation of weapons of mass destruction, NATO established the Senior Defense Group on Proliferation, and in 1994-95 France served as cochair of this body with the United States.

BEDROCK RATIONALES

SOME U.S. and European defense analysts have argued that France's nuclear forces have imposed disproportionate opportunity costs. The expense of maintaining the nuclear deterrent may hinder France in its pursuit of the conventional military technologies of the future, such as nonnuclear precision-strike systems, intelligence and communications capabilities, and long-range power projection. Given other national budget priorities such as cutting the deficit, the nuclear weapons policy review under way in the French government's recently established Strategic Committee may result in further cutbacks to the nuclear forces.

The nuclear deterrent will nonetheless retain bedrock justification as a prudent backstop for France's security. Chirac drew attention to one such rationale in September when he raised the possibility of political setbacks in Russia that could place a hostile, extremist government in power, with thousands of nuclear warheads at its disposal. Although many Socialists have been critical of the recent tests, they do not challenge the principle that France should maintain a credible independent nuclear deterrent. Indeed, some prominent Socialists, such as former Foreign Minister Claude Cheysson and former Defense Minister Jean-Pierre Chevènement, have defended the tests.

Since the late 1950s, when France first began openly pursuing nuclear weapons, certain ideas and convictions regarding the nuclear deterrent have become closely interwoven in France, and recent opinion polls show them holding strong, despite the public's misgivings about the final test series. Nuclear weapons have become associated with national independence and security against another world war and, more broadly, with de Gaulle's successful efforts to restore France's honor and international status. Nuclear weapons are deemed an insurance policy in an uncertain and unstable world and a guarantee of France's political and strategic autonomy. Despite intermittent and apparently growing concerns about nuclear reactor safety and nuclear waste disposal problems, and aside from dissent in some of the minor political parties, the consensus behind nuclear deterrence in France seems remarkably robust, particularly in a comparative perspective.

The consensus may nonetheless be superficial and fragile, partly because it is based on ambiguity as to France's alliance obligations and intentions. It should be recalled that the consensus about defense among France's main political parties since the late 1970s, when the Socialists dropped their opposition to nuclear deterrence, is a historical anomaly and based on constant reaffirmation of the assumption that nuclear deterrence shelters France from vulnerability in a major war. What could truly undermine the French defense consensus, therefore, would be evidence of the irrelevance of nuclear deterrence capabilities in dealing with substantial conflicts. Overriding political obstacles could prevent France from explicitly threatening—or carrying out—any operational use of nuclear weapons in conflicts in or beyond Europe. French participation in a conventional military conflict with large numbers of casualties could rapidly break the defense consensus, especially if France's nuclear forces had no role in forestalling or limiting the hostilities.

Greater recognition of the limits of nuclear deterrence in certain contingencies may therefore offer Paris incentives to increase its investment in complementary means of ensuring national security. In the long term, increasing uncertainty about weapons reliability and performance under a no-test regime could raise further fundamental questions about the extent to which it is prudent to rely on nuclear deterrence. 🌐

The Second Coming of the Nuclear Age

Fred Charles Iklé

A PLAN TO CONTROL THE ATOMIC MENACE

HALF A century after it began, the nuclear drama has reached the conclusion of its first act—a rather happy ending in spite of the gloomy prospects for civilization that darkened the stage at the outset. This respite, though, is not a lasting redemption from the dangers of nuclear warfare. Whether by accident, because of a terrorist act, or as part of a military campaign, a nuclear bomb might explode someday, unleashing forces that would transform the international system far more profoundly than did the collapse of the Soviet empire. The end of the present era, in which nuclear weapons are plentiful but never used, would be sudden, and the major nuclear powers are ill prepared for the revolution in strategic thinking this event would compel.

Fifty years ago the atomic devastation of Hiroshima and Nagasaki had an immense emotional impact. The long period of nonuse that followed has shriveled public awareness of the bomb's power to merely a faint apprehension. Just one or two destructive nuclear detonations would revive that anxiety everywhere, and Americans would find it much harder to cope with these reawakened passions than in August 1945. After their great victory in World War II, Americans rode a wave of optimism and were comforted by the knowledge that, at least for a while, no other state possessed atomic technology. Un-

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like after a future nuclear explosion, in 1945 there were no threats of nuclear revenge, no arsenals with thousands of nuclear warheads, no nuclear “guarantees” that had abruptly disintegrated, no disproved theories of deterrence, no failed safeguards and controls. Above all, there was no worldwide presumption of continued nonuse that had unexpectedly been shattered. Before such a calamity occurs, the United States must lead the great powers in planning for the international control of nuclear weapons.

USED TO NONUSE

THE NUCLEAR threat appears to have faded only because no nuclear bomb has been detonated in the past 50 years, except at secluded test sites. And for the last 30 years most tests have been hidden events, tucked away deep underground. The atmosphere after Hiroshima was quite different. In an internal government memorandum from the fall of 1945, Under Secretary of State Dean Acheson—that hard-nosed realist—described the innovation of atomic weaponry as “a discovery more revolutionary in human society than the invention of the wheel.” He added, “If the invention is developed and used destructively, there will be no victor, and there may be no civilization remaining.” Today, a tough-minded senior U.S. official would deem this prose mawkish. But if warnings from men like Acheson, “father of the atomic bomb” J. Robert Oppenheimer, and financier Bernard Baruch (appointed American ambassador to the U.N. Atomic Energy Commission in 1946) at the dawn of the nuclear age sound like hyperbole today, it is not because nuclear arms have become less dangerous, but rather because we have grown accustomed to their nonuse.

Following Japan’s surrender, some strategic thinkers in the United States began to explore whether self-interest could be enlisted to keep belligerents from using atomic weapons. U.S. military and civilian leaders, however, were not willing to base their strategy on the assumption of nonuse. In the late 1940s leading urban planners and journalists even recommended the dispersal of large populations to reduce the ruinous effects of a single bomb, and for 15 years after that the U.S. government promoted the construction of fallout shelters as well as other civil defense measures. In the 1950s, to provide its mili-

tary forces with a more accessible nuclear capability, the United States developed “tactical” nuclear weapons and deployed thousands of them abroad. Despite private reservations, President Eisenhower, his secretaries of state and defense, and the most senior officers in the armed services repeatedly asserted that nuclear weapons had achieved the status of conventional weapons and would be put to military use.

Within a decade, however, U.S. leaders would no longer consider dropping nuclear bombs on conventionally armed enemies. In 1971 President Nixon rebuffed as “ridiculous” the suggestion that U.S. airpower in Indochina “might include the use of tactical nuclear weapons.” No public outcry demanded that he order or even threaten the use of such weapons in the long and costly Vietnam conflict, the first war that the United States would lose. And one year later the West greeted the Antiballistic Missile (ABM) Treaty with acclaim because it expected that denying missile defenses to the two superpowers would ensure nonuse.

Although experts continued to study the medical, economic, and climatic consequences of various levels of nuclear warfare, U.S. and Soviet strategic planners focused on the so-called “exchange,” a surprise nuclear attack that would promptly be followed by an equally powerful retaliatory strike. Given this scenario of mutual destruction, responsible planners had to assume nonuse. Many even came to see nuclear armaments as the ultimate guardian of world peace. Years before the end of the Cold War, this principle thus became the guiding compass for nuclear strategy as well as for force structure.

As leaders grew increasingly confident that nuclear weapons would remain unused, even NATO’s first-use doctrine, which planned nuclear strikes to halt a large conventional attack on Western Europe by the Warsaw Pact, became hollow. Until the end of the Cold War, NATO repeatedly conducted war games intended to practice first use. But the games did not test first use or, for that matter, second use; they confirmed nonuse. When the exercises progressed to the point of first use, they were invariably terminated instantly. At the edge of the nuclear abyss, the war vanished like a bad dream.

The first nuclear attack since World War II would have severe global repercussions.

UNDETERRED BY DETERRENCE

WHEN OFFICIALS and academics pay attention to nuclear arms nowadays, they focus almost exclusively on two problems: the proliferation of nuclear capability and the risk of the theft or accidental detonation of Russia's thousands of nuclear warheads. From their perspective, proliferation—although advertised as the greatest menace of the decade—is a problem limited to rogue states, smallish rascal nations in the slums of global society. The conventional wisdom asserts that the major powers have learned how to live with the bomb. In contrast to the Armageddon scenarios in vogue during the Cold War, current speculations about nuclear use often take for granted that the calamity would remain confined to the margins of the world order. As the pygmies try to stir up nuclear chaos, the giants stay aloof on their Olympian heights of thousands of nuclear weapons; at most they launch a thunderbolt to restore order below.

Such a vista may give hope to the United States and the other major nuclear powers, suggesting that the dangers of proliferation could be contained by cordoning off a nuclear incident. It assumes that on "the day after," the strategic relationships linking Russia, the United States, and China (and, should they still matter, France and Great Britain) could remain unchanged and that the major powers could reaffirm by word and deed that, regardless of nuclear use by rogue states, they would preserve the order of mutual deterrence and enduring nonuse among themselves. But a local war involving nuclear weapons could not be quarantined, and the end of nonuse would have severe political and psychological repercussions throughout the world.

History does not offer much assurance on the workings of deterrence. In 1955 Winston Churchill explained the essentials of the West's Cold War deterrence strategy in his last great speech before the House of Commons. He endorsed the "belief," as he called it, "that, but for American nuclear superiority, Europe would already have been reduced to satellite status and the Iron Curtain would have reached the Atlantic and the Channel." Documents from Moscow's archives show, however, that America's nuclear superiority did not deter Stalin from continuing to provide substantial Soviet support for North Korea long after U.S. forces had become fully engaged in the Korean War. Deterrence, de-

pendent on a credible nuclear threat, was undermined by America's preference for nonuse, and throughout the Cold War, the priority of nonuse governed the U.S. response to aggression. This priority held for North Korea's attack on South Korea, for China's entry into that war, and during every stage of the Vietnam conflict. Indeed, in planning for the feared Warsaw Pact assault on NATO—the most plausible *casus belli* for nuclear war—the United States wedged the doctrine of flexible response into NATO strategy to give nonuse a second chance.

During the Cold War, a constant tension persisted between nuclear deterrence and the preservation of nonuse. While these two goals were at first clearly separated by an us-versus-them bipolarity (deter them from aggression, not us; prevent nuclear attack against us, not them), they became increasingly entangled over time. Deterrence came to be seen as guaranteeing nonuse, and continued nonuse as proof of successful deterrence. Now that the bipolar order of the Cold War has crumbled, nonuse and deterrence will no longer sustain each other. However, nonuse is the sturdier of the two. The success of nuclear deterrence is an interpretation of recent history; nonuse since 1945 is an indisputable historical fact. Deterrence is theoretical; nonuse is concrete and unambiguous. Faith in nonuse made it easy for both hawks and doves to place their confidence in deterrence.

The strategic order among the major nuclear powers is fragile precisely because it rests so heavily on beliefs and untested theories. As soon as these beliefs are confronted with compelling evidence to the contrary, the strategic order will start to break up. A nuclear detonation that resulted from an accidental missile launch or a malfunctioning command chain would force national leaders to promise a fundamental change in policy. "Ready" and "robust" deterrent forces would no longer suffice as the answer to the dangers of the new nuclear age.

LEGACIES OF THE COLD WAR

THE DEMISE of the Soviet empire ought to have made it easier to develop strategies that would complement or, where necessary, substitute for deterrence. Yet the weapons arsenals and intellectual mindset that constitute the Cold War's enormous detritus have obstructed the search for new policies. The Russian military in particular lacks the

resources to adjust its huge stockpiles to the new political environment and is too distracted and disorganized to offer innovative strategies.¹ In the United States, France, and Great Britain, officials who seek to bring strategic concepts and doctrine up to date are confronted by the fact that any major modernization would entail a costly and time-consuming revision of forces and weapons systems. And new ideas that do emerge for adapting Cold War operational procedures and forces are likely to be rejected as conflicting with current doctrine.

For example, the budgets for offensive nuclear forces and those for all defensive measures indicate that the major nuclear powers now allocate about a hundred times as much to deterrence as to the prevention or mitigation of a catastrophic accident or human error. Though hidden from public scrutiny, the same imbalance exists—and is far more dangerous—in the tradeoffs military planners make between enhancing deterrence and reducing the risk of accidental nuclear war. While they have switched off wartime targeting and taken some missile forces off alert, Russian strategists continue to keep part of their forces on a hair-trigger posture to enhance deterrence against an implausible U.S. surprise attack. U.S. military leaders likewise keep some of their forces on continuous alert, feeding the arguments of Russian planners that their missiles must be ready for launch at a moment's notice. Unless addressed, this skewed cosmic gamble will persist for years, placing nearly all bets on deterrence, with little insurance against human folly.

Another case in point is the huge number of missiles both powers still retain. Russian defense officials are reluctant to endorse the cuts in their missile forces that they would have to implement upon

¹ Many of these obstacles could be overcome with more meaningful U.S.-Russia military cooperation. Since 1991 the U.S. government has provided funds to help Russia dismantle and better safeguard its nuclear arsenal. In 1993 an American-Russian study group, which the author cochaired with Sergei A. Karaganov of the Russian Academy of Sciences and which included defense officials from both countries, issued a report, *Harmonizing the Evolution of U.S. and Russian Defense Policies*, Washington, D.C.: Center for Strategic and International Studies, 1993. Among the group's recommendations for future U.S.-Russia collaboration on nuclear weapons were planning for a joint response to nuclear terrorism, taking strategic missiles off alert, and creating a shared early-warning system.

ratification of the second Strategic Arms Reduction Treaty, which Russia and the United States signed in 1993. After a yearlong study dedicated to the question of its nuclear strategy and forces for the coming decades, the Pentagon concluded that the United States should continue to purchase new missiles to replace those constructed during the Cold War and should not commit itself to reductions beyond START II. A “requirement” of 3,500 strategic warheads, based largely on the Cold War calculus of an annihilating second strike after a surprise attack, emerged from the review.

Let us imagine the inherited arsenals did not exist. Would Russian defense planners now argue that Russia must build and deploy a missile force to hurl thousands of nuclear weapons at the United States? Would the U.S. secretary of defense testify before Congress that the United States must purchase 3,500 strategic warheads to threaten the destruction of Russia?

The theory of strategic stability that underpinned the Pentagon review is also part of the Cold War legacy. Its centerpiece, the ABM treaty, was designed for the Brezhnev-Nixon era when the military confrontation in the European theater still dominated nuclear strategy. Incongruously, at their summit meeting last May, President Clinton and Boris Yeltsin issued a joint statement asserting that the treaty was “the cornerstone of strategic stability.” Their statement allows the two countries to deploy theater missile defenses (presumably against the rogue states), but, it adds anxiously, these defenses “will not be deployed by the sides for use against each other.” Evidently in this new era of American-Russian cooperation, both sides are permitted offensive missiles for mutual annihilation but not defenses against an accidental launch.

The three other countries whose nuclear status the 1968 Nonproliferation Treaty sanctions also cling to the ABM treaty, even though they are not parties to it. London and Paris want the treaty to remain in force so that their missiles can always, without hindrance, destroy Moscow, St. Petersburg, and other targets in Russia. Beijing has admonished Washington and Moscow not to weaken the treaty, presumably to guarantee Chinese military planners an open freeway for their

The Cold War's
detritus has obstructed
the search for new
nuclear strategies.

missiles to inflict nuclear destruction on California or the Russian heartland. Perhaps a nuclear-armed North Korea or some other aficionado of strategic stability will soon claim an entitlement under the ABM treaty to unobstructed flight paths for its missiles.

Those who see the ABM and START treaties as the cornerstone of nuclear security cannot have thought far ahead. The cat's cradle of deterrence relationships among the five great nuclear powers cannot remain stable. Within 30 years China may reach nuclear parity with the United States. Should Beijing and Moscow then conclude a military pact, the Pentagon's warhead requirement would double. Yet if the United States were to anticipate this development by augmenting its nuclear forces and abrogating the START treaties, it would unhinge the very relationships it aimed to stabilize. If they wish to capitalize on the opportunities the end of the Cold War has offered and usher in an era of increased safety, the major powers must jettison their old strategic suppositions and consider new approaches.

PREPARING FOR THE THIRD ACT

ALTHOUGH THE United States developed the atomic bomb for use in World War II, as soon as the war ended this historically unique weapons technology was enslaved by an equally unique context and remained captive for four decades. This context—a world split into two realms locked in irreconcilable ideological, political, and military conflict—shaped, or rather warped, American strategies for coping with weapons of mass destruction. With the Cold War now over, the drama of the nuclear age has entered a more volatile second act. While one cannot yet predict when this act will end, or whether it will conclude peacefully or with the destructive use of nuclear weapons, one can readily recognize that it is transitory.

Good fortune guided the world past all potential infernos during the first act. Neither Hitler nor Stalin gained a dominant head start in building atomic bombs. The Kremlin was never led by a lunatic nuclear gambler. And as technologies for these weapons began to escape meaningful international controls, the Cold War competition ended. Finally, despite the several accidents and mistakes that could have sparked a large-scale nuclear war (and whose horrid details are

still largely shrouded in secrecy), the superpowers always stopped just short of the abyss. At each of these fateful moments, the world escaped nuclear holocaust—seemingly by accident.

Having safely traveled this far, however, the world still teeters at the edge of the precipice. But the collapse of the Soviet empire has opened a window of opportunity that offers a second chance. Can the United States guide this transformation, or will hostile forces and fate determine the future? Throughout the Cold War the United States was the intellectual leader in the development of nuclear strategies and arms control regimes. European strategists collaborated constructively in this effort, and with a 10- to 20-year lag, nuclear experts in Moscow by and large also subscribed to America's strategic theories, even before the demise of the Soviet Union. Since the invention of the atomic bomb, political leaders have understood that in times of both war and peace sovereign nations must accommodate the existence of weapons of mass destruction and modify their roles accordingly. This fact of international life was stressed by statesmen at a time when these weapons still had a strong emotional resonance, and every president from Truman to Reagan affirmed it. By exerting sustained leadership, the United States can—again with some good luck—organize a project that would succeed where the Baruch and Acheson-Lilienthal plans of 1946, which sought to establish an international authority that would exert worldwide control over the entire field of atomic energy, were destined to fail.

Half a century and some 50,000 nuclear weapons later, this new project could obviously neither prevent the production of nuclear arms in every country, nor abolish existing arsenals. Its goal would be to establish sufficient control over the use of weapons of mass destruction so that open societies could continue to flourish. Democracy cannot survive in a highly uncertain world in which a smuggled nuclear bomb might be detonated in Paris or Manhattan and in which such calamities might reoccur. A scheme to preserve the tradition of nonuse is not a small matter. A place to start, indeed a necessary beginning, would be a consensus among the five major nuclear

Democracy cannot survive if a nuclear bomb can be detonated in Paris or Manhattan.

powers against first use, except in response to an attack involving other weapons of mass destruction. The principal nuclear powers must also prepare a coordinated response to penalize first use and prevent repetition by destroying the nuclear capabilities of violators.

Unfortunately, in the absence of the emotional shock destructive nuclear detonations would generate, it seems highly unlikely that such a project will be implemented. The current nuclear powers remain entrenched in Cold War modes of thought, and the Russian military views nuclear weapons as an inexpensive way to defend its country's borders. But the largest powers, particularly the United States, must realize that even the best offensive and defensive weapons systems will not provide adequate protection in the new nuclear age.

Rather than make rash decisions in the wake of the first post-World War II nuclear calamity, the United States should at least think through how best to respond, and prepare some helpful measures beforehand. A nuclear blast would show the vaunted deterrent to be incapable of preventing massive destruction at home; it could undermine democratic governments and demoralize military services. As divided and unprepared democratic forces fumbled for a plan of action, demagogues might rush forward, convincingly promising protection. If the era of nonuse should end violently, many countries might freely choose dictatorship to preserve order and survive. Conversely, the principal powers might adopt an ill-conceived scheme for world government that would either degenerate into global tyranny or—far more likely—prove totally ineffective.

Any serious international regulation of nuclear weapons is bound to entail troublesome incursions that would challenge the traditional prerogatives of national sovereignty. The need for ubiquitous intelligence capabilities will have to be balanced against the protection of civil liberties. Indeed, maintaining worldwide control over the use of weapons of mass destruction will require difficult choices and create new political and military dangers. But there is no alternative. The status quo will not last. ☹

Sharing the Atom Bomb

James Chace

WHAT MIGHT HAVE BEEN

COLONEL STIMSON was worried. A week earlier, a few days after the atomic bomb had exploded over Hiroshima, he had had a small heart attack. With intimations of mortality, the weary secretary of war, who was nearly 78, had decided to resign. His deepest concern, however, may not have been his health but the future of the atom. The reports of what had happened when an American B-29 bomber dropped the bomb on Hiroshima at 8:15 a.m. on August 6, 1945, had been devastating. Almost everything within a 500-meter radius of the explosion had been incinerated, and buildings as far away as three kilometers had burned. A second bomb had been dropped on Nagasaki on August 10, and the two blasts had killed more than 150,000 people and injured at least another 100,000.

Henry Stimson was shaken. He had never opposed using the bomb to end the war and save American lives that would have been lost in an invasion of the Japanese islands. Before Hiroshima and Nagasaki, he had even believed that possession of the bomb would be a "master card" in the hands of American leaders, which they could use as leverage in settling the great issues of the postwar world. But in the after-

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math of the bombing, Stimson changed his mind and, along with Under Secretary of State Dean Acheson, initiated an attempt to place all future atomic weapons under international control. Had their approach been followed, the United States and the Soviet Union might well have reached an agreement that would have checked the spread of nuclear weapons. But their plan, which depended on superpower cooperation, was undone by Cold War politics. A half-century later, with the Cold War over and nuclear weapons still at large, their ill-fated efforts are worth recalling.

STIMSON'S LAST STAND

NOT UNTIL August 13, after he had received news that Japan was about to surrender, were Stimson and his wife, Mabel, finally able to get away to the Adirondack Mountains for a rest. Surrounded by old friends in what one of his biographers described as "an atmosphere of idealism and high-mindedness," the old warrior concluded that if the United States tried to keep atomic technology secret and then endeavored to use this monopoly to pressure an increasingly truculent Soviet Union to follow domestic and foreign policies that the United States dictated, it was bound to fail. That strategy might even lead to "a secret armament race of a rather desperate character," as he later put it.

Stimson called on his assistant secretary, John McCloy, to help him compose a memorandum to President Truman that would articulate his thoughts on what to do with the bomb. During the war, McCloy had personally tried to persuade Truman that the Japanese be informed "that we had the bomb and that we would drop the bomb" if reasonable terms of surrender were not promptly accepted. The essence of Stimson and McCloy's approach was their belief that the United States did not possess real atomic secrets as such—only the American know-how needed to construct a bomb. Having abandoned any notion of using the bomb to transform Soviet society, Stimson envisioned a "covenant" between the United States, Great Britain, and the Soviet Union. The Soviet Union would halt efforts to develop its own atomic weapons, while the United States would make available information on atomic energy's peaceful application and would also "undertake not to employ the atomic bomb or any development of it as an instrument of warfare."

When McCloy came back to Washington and discussed these ideas with Secretary of State James Byrnes, the latter asserted that it would be a "long time before [the Soviets] were at the stage where we were now." Looking ahead to the foreign ministers' meeting in London scheduled for early September, Byrnes told the assistant secretary of war that "the Russians were only sensitive to power and all the world, including the Russians, were cognizant of the power of this bomb, and with it in his hip pocket he felt he was in a far better position to come back with tangible accomplishments even if he did not threaten anyone expressly with it." After hearing Byrnes' perspective, McCloy traveled back to St. Hubert's Club in the Adirondacks with a heavy heart to complete his work on the presidential memorandum.

Returning to Washington on September 3, Stimson went to a cabinet lunch the next day at the White House. Afterward he had a long and distressing talk with Secretary Byrnes. "I took up the question I had been working on with McCloy up at St. Hubert's, namely how to handle Russia with the big bomb. I found Byrnes was very much against any attempt to cooperate with Stalin. His mind is full of the problems with the coming meeting of the foreign ministers, and he looks to having the presence of the bomb in his pocket, so to speak, as a great weapon to get through the thing." Later that day Stimson had a 15-minute meeting with the president, in which he told Truman that he was unhappy with Byrnes' approach, for it guaranteed a return to "power politics." Realizing he needed more time to explain his own position, Stimson arranged for a longer meeting on September 12 to discuss his still-unfinished memorandum.

Stimson considered a direct approach to Stalin the best way to avoid a devastating arms race. Regardless of how long the Soviets might take to develop their own bomb, it was vital that the United States work to ensure their cooperation in the postwar world. Because of the issues at stake, Stimson insisted that the president and he read the finished memo through together on September 12. The central argument was that American-Soviet relations "may be irretrievably

Henry Stimson
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desperate arms race.

embittered by the way in which we approach the solution of the bomb with Russia. For if we fail to approach them now and merely continue to negotiate with them, having this weapon rather ostentatiously on our hip, their suspicions and their distrust of our purposes and motives will increase." In singling out Byrnes' cowboy approach, Stimson stressed the difference between that stance and his own.

He concluded by urging one-on-one negotiations with the Soviet Union. An offer through the newly formed United Nations or any other international group would not "be taken seriously by the Soviets"; it must be "peculiarly the proposal of the United States." As a capstone to his argument, Stimson counseled Truman: "The chief lesson I have learned in a long life is that the only way you can make a man trustworthy is to trust him and the surest way to make him untrustworthy is to distrust him and show him your distrust." Truman agreed with Stimson that "we must take Russia into our confidence." But, as events would demonstrate, the president's position was not hard and fast. Truman then encouraged Stimson to present his views to the cabinet on September 21, 1945, the day Stimson would turn 78 and his last in office.

To prepare for the meeting, Stimson sent his memo to Dean Acheson, who, he believed, "is evidently strongly on our side on the treatment of Russia." Unlike Truman, who greeted the destruction of Hiroshima with the words, "This is the greatest thing in history," Acheson's first reaction was horror: "The news of the atomic bomb is the most frightening yet. If we can't work out some sort of organization of great powers, we shall be gone geese for fair." After Stimson's retirement, his scheme would be in the hands of Acheson, in many ways his moral successor.

At 51 years of age, Dean Gooderham Acheson was approaching the period of his greatest power and performance. Acheson was very much a realist, distrustful of "universal plumb-plans" and international organizations as substitutes for great power diplomacy. His goal was to bring into balance American morality and power, for he believed that "morality, if it is not to be divorced from the practical world of action, must inform itself and relate itself to things as they are." Like Truman, Acheson thought that "any problem can be solved with a little ingenuity and without inconvenience to the folks at large."

OPEN ATOMIC SECRETS

"THE DISCUSSION was unworthy of the subject." That was Acheson's verdict on the fateful cabinet meeting at which Stimson expounded his thoughts on the atom bomb and the Soviet Union. Before his colleagues, Stimson emphasized the distinction between the disclosure of basic scientific information about atomic power and the technological secret of the bomb's design. He proposed sharing the scientific information with the Soviets as a good-faith gesture; the technology would eventually be developed in any case. "We do not have a secret to give away—the secret will give itself away," Stimson declared.

Cool and elegant in his argumentation, Acheson, present as acting secretary of state with Byrnes in London, strongly supported Stimson. But the discussion soon veered from the central issue of how to approach the Soviets on questions raised by America's development of the bomb, of whether Stimson's one-on-one strategy was the right one. Instead, the debate, such as it was, centered on the spurious issue of whether or not the United States should "give" the bomb to the Soviet Union.

The fiercest opposition to Stimson's plan came from Secretary of the Navy (and future Secretary of Defense) James Forrestal. A self-made, driven Wall Street investment banker before coming to Washington at the outset of the war, Forrestal was already a hard-line anticommunist. His obsession with the communist menace fed his growing paranoia, eventually leading him to resign as secretary of defense in 1949 and not long after to commit suicide by jumping out a window of the Bethesda Naval Hospital. Forrestal viewed the secret of atomic weaponry as "the property of the American people" and doubted that the Soviets, so "essentially Oriental in their thinking," could be trusted. He recorded in his diary that Acheson saw "no alternative except to give full information to the Russians," though in the context of gaining "some quid pro quo in the way of a mutual exchange of information." Acheson, Forrestal noted, "could not conceive of a world in which we were hoarders of military secrets from our Allies, particularly this great Ally upon our cooperation with whom rests the future peace of the world."

The meeting was inconclusive, but the president, who nonetheless professed to have found the discussion "exhilarating," ordered the

participants to submit their opinions to him in writing. Four days later Acheson's memorandum arrived at the White House. It was, Acheson admitted, "deeply influenced by Colonel Stimson's paper." In calling for the United States to approach the Soviet Union soon and directly, Acheson reiterated Stimson's contention that "what we know is not a secret which we can keep to ourselves," for "this scientific knowledge . . . relates to a discovery more revolutionary in human society than the invention of the wheel." Moreover, "if the invention is developed

Dean Acheson feared
that if the bomb were
used, no civilization
would remain.

and used destructively, there will be no victor, and there may be no civilization remaining."

He then argued that the joint development of the bomb by the United States, Britain, and Canada "must appear to the Soviet Union to be unanswerable evidence of an Anglo-American combination against them." His logic was impeccable: "A gov-

ernment as powerful and as power conscious as the Soviet government" would feel compelled to act as vigorously as possible to restore "the loss of power" that the discovery of the bomb had produced. It would most certainly do so if the United States tried to maintain "a policy of exclusion." For America to declare itself a "trustee of the development for the benefit of the world will mean nothing more to the Russian mind than an outright policy of exclusion."

Acheson proposed approaching the Soviets directly, after consulting with the British and explaining the objective to Congress. Otherwise "the public and Congress will be unprepared to accept a policy involving substantial disclosure to the Soviet Union." He was especially sensitive to this last point, for the day after the cabinet meeting, the press had been full of reports that Secretary of Commerce Henry Wallace had suggested revealing the secret of the bomb to the Soviet Union—the so-called Wallace plan. Senator Tom Connally of Texas, chairman of the Foreign Relations Committee, reflected the sentiment prevailing in the Senate when he declared that "complete secrecy should be maintained regarding the atomic bomb." It was surely in response to this criticism that Acheson insisted that discussions with the Soviets "need not involve at this time any disclosures going substantially beyond those which have already been made to the world."



UPI/BETTMANN

Truman and Acheson in conference.

But Truman was pulled in a number of directions. He was increasingly distrustful of the Soviet Union, while at the same time hopeful that negotiations with Moscow on several fronts would bear fruit. But with the growing hostility to the Soviet Union in both Congress and the press, he averred that he would not turn over "the plants and equipment" needed to make a bomb. On the other hand, he knew that to try to keep the bomb solely in America's hands might mean the end of the newly born United Nations. In his message to Congress on October 3, Truman followed Acheson's reasoning; indeed, the opening paragraphs of his speech had been drafted by Acheson's assistant, Herbert Marks. The president called for "international arrangements looking, if possible, to the renunciation of the use and development of the atomic bomb." Unless the United States pursued this path, "a desperate armament race" would ensue. Truman affirmed the claim that the theoretical underpinnings of the bomb were already generally known, and he called for discussions, first with Great Britain and Canada and then with other nations. Acheson believed that "the road had been kept open" for Stimson's approach.

Then, at an impromptu press conference at Reelfoot Lake in Tennessee, Truman explained that the American secret lay in “the know-how” that put the scientific knowledge to work, “just the same as know-how in the construction of the B-29.” He was not willing to share that know-how with the Soviets: “If they catch up with us on that, they will have to do it on their own hook, just as we did.” Truman then spoke of his meetings with Stalin at Potsdam and pointed out that misunderstandings there had been cleared up; by speaking frankly, a practice on which he prided himself, one could reach agreement with the Soviets. Thus he concurred with Stimson and Acheson that direct talks with the Soviets were necessary, but he was not about to give away the secret of the bomb. This was the real Harry Truman speaking, shooting from the hip. Moreover, he believed he had the right man for the job: Secretary of State James Byrnes.

LET THE UNITED NATIONS HANDLE IT

BYRNES, HOWEVER, did not favor dealing directly with the Soviet Union. Although Truman’s comments had been in response to the Stimson-Acheson proposals, Byrnes did not consult Acheson as he prepared for a November meeting in Washington on this issue with the British and Canadian prime ministers. Instead, he solicited advice from Vannevar Bush, the scientist who had obtained F.D.R.’s approval in 1940 to organize and speed the atom bomb research effort. Eager for collaboration with the Soviets, Bush urged a technical approach that was not concerned with questions of political feasibility; his final objective was an inspection system that would offer protection against a surprise atomic attack. Both the technical process and the means of setting it up would be entrusted to the United Nations.

Byrnes embraced Bush’s U.N. approach. It avoided the difficult task of discussing matters with the Soviets on a strictly political level, of trying to find out what they were willing to negotiate, and it allowed the Americans to safeguard their technological expertise until the Soviets proved more cooperative. In Acheson’s view, however, by bringing the discussion of atomic energy control to “a large

group of nations that included many small ones of no demonstrated power or responsibility," Byrnes was following a course that was "the opposite pole" from what he and Stimson had intended.

The meeting with British Prime Minister Clement Attlee and his Canadian counterpart, Mackenzie King, only reinforced Byrnes' position. In late August 1945 Attlee had been convinced that on atomic matters he, Truman, and Stalin should "take counsel together." By November, with Britain prepared to develop its own atomic bomb, he decided that "we should all lay aside our nationalistic ideas" and take the problem of atomic energy to the United Nations. The November conference in Washington made clear that the direct approach to the Soviets would never take place. No one suggested talks—let alone joint action—with the Soviet Union.

Surprisingly, Acheson got another chance to press forward with his hopes of working with the Soviet Union on atomic energy. Soon after the British and Canadians agreed to take the issue to the United Nations, Byrnes headed to Moscow for a meeting with Stalin, with the reluctant British foreign minister, Ernest Bevin, in tow. Although the conference was supposed to settle differences between the Western allies and the Soviet Union over Eastern Europe, Japan, China, and Iran, Byrnes also wanted to get the Soviets to sponsor a U.N. commission on atomic energy. Far from keeping the bomb out of negotiations with the Soviets, Byrnes reversed his position and placed the atom squarely on the table.

The discussion centered on the proposed U.N. Atomic Energy Commission. No one asked any specific questions about the atomic energy policies of the protagonists. The Russians readily acceded to Washington's proposals, insisting only that the commission be accountable to the Security Council, where both countries wielded veto power. "Much to everyone's surprise," wrote Harvard University President James Conant, in Moscow as Byrnes' scientific adviser, to Vannevar Bush, "the Russians didn't argue or talk back."

As the conference ended, Byrnes, who tended to view foreign affairs in much the same light as domestic ones, believed he had come back with a good horse trade. (He had once observed that negotiating with the Soviets was just like dealing with the Senate: "You build a post office in their state, and they'll build a post office in our state.")

It was a singular moment of accommodation in what was fast becoming a grim period of confrontation.

CONTROLLING THE SOURCE

BYRNES MAY have been successful in Moscow, but he still faced opposition at home. Not only had he angered Truman by not keeping him fully informed of his dealmaking in Moscow, but he had also irked Senator Arthur Vandenberg, the ranking Republican on the Foreign Relations Committee, by not consulting him. Far from seeing the Moscow conference as a further step forward in bettering relations with the Soviet Union, Vandenberg viewed the Byrnes accords as a possible threat to America's control over the secrets of the atom—"one more American giveaway," as he wrote his wife. Fortunately Acheson suggested a solution, which Vandenberg was able to call his own, demanding that what had been decided on in Moscow be "subject to congressional approval."

But what exactly did the Americans want? No program had been articulated in Moscow, only the guiding principles of a U.N. commission. The solution, as Byrnes saw it, was to appoint Acheson head of a committee that would formulate American policy. As Acheson tells the story, Byrnes phoned Acheson, who was in bed with the flu, and asked him to chair a group to devise a plan for the international control of atomic energy. Acheson protested, "Mr. Secretary, I don't know anything about this." But Byrnes was about to depart for Moscow. He said, "My plane's going in a few minutes, and I have no time to argue. The President wants it done, and you are appointed." Acheson claimed his fever went up six degrees. The other members of the committee were the scientists James Conant and Vannevar Bush, John McCloy, and General Leslie Groves, a hard-driving executive who had overseen the Manhattan Project.

Acheson was well aware of his limited understanding of the scientific aspects of atomic energy. To assist the committee, he appointed a board of consultants that would work out the details of the proposal. Its chairman was David Lilienthal, an energetic, optimistic man who had successfully headed one of the most admired achievements of the New Deal, the Tennessee Valley Authority. By far the most influen-

tial consultant was J. Robert Oppenheimer, the nuclear physicist who had been the director of the Los Alamos laboratory during the war and was now at the University of California at Berkeley.

At Los Alamos Oppenheimer had demonstrated a singular gift for organization; he had mobilized a great number of scientists to work on the project, ending up with a work force of some 3,000 people. For Acheson, Lilienthal, and McCloy, he became their indispensable teacher. Each evening after dinner he would lecture Acheson and McCloy with the aid of a borrowed blackboard on which, in Acheson's telling, "he drew little figures representing electrons, neutrons, and protons bombarding one another, chasing one another about, dividing, and generally carrying on in unpredictable ways. Our bewildered questions seemed to distress him. At last he put down the chalk in gentle despair saying, 'It's hopeless! I really think you two believe neutrons and electrons are little men.'"

Despite his grave reservations about exploring the international control of atomic energy through a U.N. commission rather than directly with the Soviets, Acheson strove to come up with a workable plan. Both he and Lilienthal believed that the facts of atomic energy would translate into public policy. Thus scientists as well as individuals "schooled in government or statecraft" would be involved in the plan's formulation, so that it might be understood by laymen and experts alike. Without the scientific input, Acheson said, it would be "as if one called in a very intelligent and well-intentioned South Sea islander and said, 'There are too many cows being killed on railroad tracks, and I want you to do something about it.' But the South Sea islander, although smart and meaning well and wanting to be helpful, has never seen a cow or railroad."

On March 17, 1946, the Acheson-Lilienthal report was ready. The key was an Atomic Development Authority that would control the whole field of atomic energy, from mining through manufacturing. Rather than rely on international inspection teams—what might be called atomic cops—the consultants proposed to control potential cheating at the source, the uranium and thorium mines. This solution,

Bernard Baruch
insisted that war greet
violations of controls
on uranium.

developed by Oppenheimer, Acheson termed "brilliant and profound." The Acheson-Lilienthal report recognized that with the fundamentals of atomic energy widely known, it was impossible to outlaw atomic weapons. It concluded that "so long as intrinsically dangerous activities may be carried out by nations, rivalries are inevitable" and that, therefore, a single international authority should become the only legal participant in activities associated with atomic arms.

The report was endorsed by all the members of the committee, although Groves may have signed on because he did not believe the Soviets would ever agree to it. Nonetheless, the consultants recommended that the United States abandon its monopoly on the atomic bomb and rest its hopes on cooperative control of the terrible weapon. Then, the very day Acheson presented the secretary of state with the formal report, Byrnes told him that Truman had asked Bernard Baruch to sell the plan to the rest of the world.

DERAILED BY A DILETTANTE

BERNARD BARUCH, a self-styled "park bench" philosopher and self-promoting "adviser to presidents," was 75 years old. He had made a fortune speculating on Wall Street and multiplied his admirers in Congress with his lavish hospitality and gifts of money to senatorial and congressional campaigns. Franklin D. Roosevelt had tried to keep him at a distance, but Byrnes and Truman believed that his influence in the Senate would help them pass the necessary legislation. Acheson and Lilienthal were appalled. Acheson futilely tried to dissuade Byrnes. Lilienthal wrote in his diary that when he read of Baruch's appointment, "I was quite sick. We need a man who is young, vigorous, not vain, and whom the Russians would feel isn't out simply to put them in a hole, not really caring about international co-operation. Baruch has none of these qualifications."

Baruch made it clear he was not about to accept the report as written and present it to the United Nations; as he put it, he would not be "a messenger boy." Moreover, he would not include any scientists among his advisers. Baruch assured Lilienthal that he could "smell his way through." On June 14, 1946, at the opening session of the Atomic Energy Commission, held in the Hunter College gymna-

sium in the Bronx, Baruch set forth his own version of the American plan with the portentous opening words, "We are here to make a choice between the quick and the dead." But he made two key changes in the Acheson-Lilienthal report that proved fatal. He insisted that swift and sure penalties greet violations and that punishment not be subject to a Security Council veto. Such conditions, Acheson believed, were a prescription for failure.

The now-dubbed Baruch plan was very much a take-it-or-leave-it proposition. America would relinquish its stockpile of atomic bombs, which in June 1946 numbered just three, only after firm guarantees were in place that no other nation could arm itself with these weapons. Since General Groves believed it would take the Soviet Union between 10 and 20 years to develop atomic weapons, the American nuclear monopoly would extend well into the future. (Most scientists believed it would take the Soviets only three to five years, which proved far closer to the reality.) But Groves was right when he assured those sitting near him during the translation of Baruch's speech that the Soviets would never accept these conditions.

Nor was it clear what Baruch's "immediate and sure punishment" meant. In a talk with Truman, Baruch said that punishment meant "war." Acheson certainly understood that any effective punishment of a great power did mean war, but he also realized that no country would go to war over such an issue. The whole idea of punishment was an illusion, and he was too much the realist not to detest "paper police sanctions," as he called them. Controlling uranium through the international authority was the best way to prevent cheating.

Truman, however, endorsed Baruch's no-veto provision, and the plan was effectively dead. Although the Soviet ambassador to the United Nations, Andrei Gromyko, offered a counterproposal and Stalin hinted in September that there might be some way out of the impasse, Baruch was not inclined to negotiate and forced a vote by the end of the year. Unsurprisingly, the U.N. Atomic Energy Commission approved the American plan, with the Soviet Union and Poland abstaining; it was then killed by a Soviet veto in the Security Council.

Without a U.S. policy
of atomic exclusion, the
Cold War might have
been very different.

Truman later confessed to Acheson that choosing Baruch was “the worst mistake I have ever made.” Acheson described Baruch’s role more succinctly: “It was his ball, and he balled it up.”

A DIFFERENT WORLD?

HAD SERIOUS negotiation over the control of atomic energy ever been possible? Once Truman agreed to put the issue in the hands of the United Nations rather than approach the Soviets directly, any such plan may well have been doomed. Stimson was probably right when he wrote to Baruch that with that decision, the “time had passed for handling the bomb in the way I suggested to the president last summer.” However, the Acheson-Lilienthal plan, though limited by the U.N. framework, gave some hope that the atomic problem might have been resolved had the two superpowers shown any true disposition to negotiate.

No evidence demonstrates that Truman really understood the Acheson-Lilienthal report or even read it with care. His policy, as McGeorge Bundy described it in his history of the nuclear age, *Danger and Survival*, “seldom went beyond the counsel he had to choose from. He was not an initiator but a chooser; the buck stopped here, but he waited for the buck to arrive.” No one, not even Dean Acheson, really pressed him to go further than he did. Byrnes, not Acheson, was his secretary of state; just as Byrnes vacillated in his dealings with Moscow between accommodation and hard-line rejection, so did Truman. In early 1946 no Cold War consensus yet dominated the policymaking world.

As long as the United States possessed the atomic bomb, Stalin was determined that the Soviet Union would also have it. In August 1945 he told his leading nuclear physicist, Igor Kurchatov, to “provide us with atomic weapons in the shortest possible time. You know that Hiroshima has shaken the whole world. The equilibrium has been destroyed. Provide the bomb—it will remove a great danger from us.” But this does not mean that his views could not have been changed. The Stimson-Acheson proposal was designed precisely to avoid perpetuating a threatening monopoly. The two men were doubtless right in September 1945 to press for an early approach to Moscow. Had Roosevelt lived, that might well have occurred. McGeorge Bundy



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Bernard Baruch considers, in 1949, his failed plan to control the atom.

makes the case that “Roosevelt would have taken to heart the quest for a workable international agreement” and “made the matter his own most pressing business.” Truman did not.

Never far from Roosevelt’s strategy toward the Russians was his belief that the great powers should order matters to prevent the outbreak of another world war. Eager to avoid the weaknesses of the League of Nations, F.D.R. had toyed early in the war with the idea that the “Four Policemen”—the United States, the Soviet Union, Britain, and China—would share the responsibility for maintaining the postwar peace. This notion became enshrined in the 11-member U.N. Security Council, in which the Big Five (the Four Policemen plus France) retained a permanent veto. Roosevelt saw the great powers acting as a kind of world steering committee overseeing the global balance of power as well as embodying the ideal of collective security.

Roosevelt, recognizing that the Soviet Union insisted on being accorded great power status, would doubtless have understood

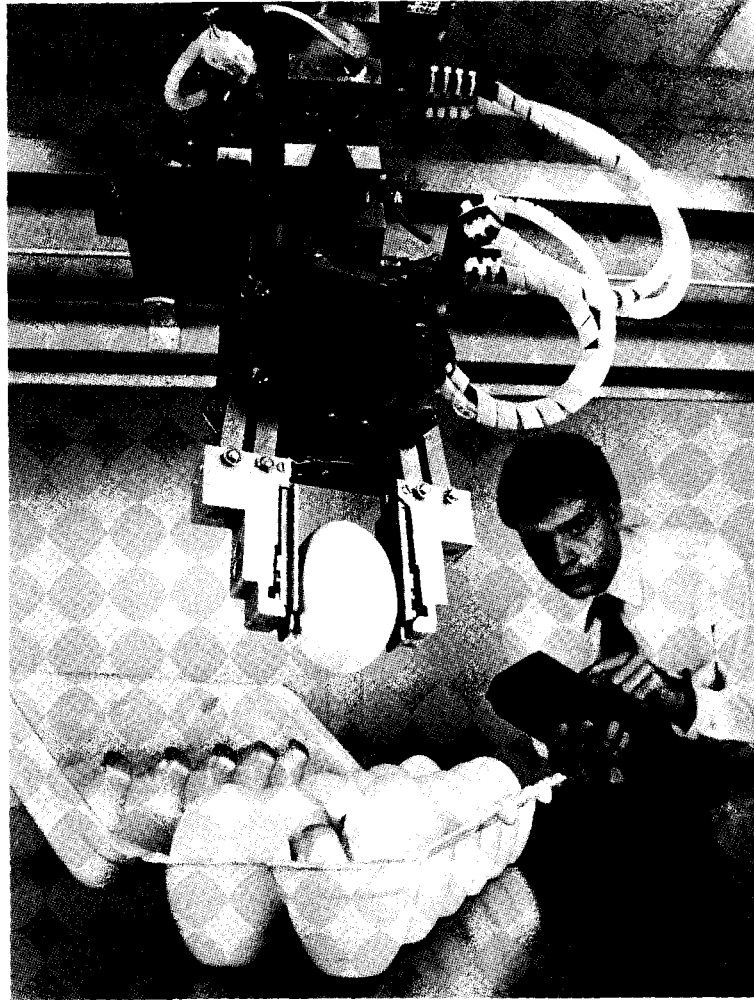
Stalin's determination to possess atomic weapons as long as the United States did. In this respect, he might very well have endorsed Stimson's original recommendation. Roosevelt might also have explored the alternative, an agreement to limit the production of atomic bombs to the great powers and to negotiate some specific number of weapons each might possess. This scheme would have represented great power gendarmerie with a vengeance, a very hard sell given the postwar rhetoric of collective security.

Acheson himself understood as well as anyone the need to treat the "power-conscious" Soviet Union as a great power. Washington could not—and should not—pursue a policy of atomic exclusion. Had President Truman fully adopted this view and explained to the public that discussions with the Soviets did not imply giving away some secret scientific information, the Stimson-Acheson proposal might have been tried. But in this period the Truman administration had not yet found its footing in foreign affairs, and dealing with the Russians solely on the basis of great power relations, when the ideological struggle between the two powers was intensifying, was becoming ever more difficult.

Had the Russians responded to a Stimson-Acheson approach, the history of the Cold War would have been substantially different. Hiroshima would have produced a balance of power rather than a balance of terror. Soviet behavior would likely have been far less confrontational, especially after Stalin's death in 1953. A bilateral effort, which Stimson had originally urged, would have formed an even more solid basis for postwar cooperation on a broad range of security issues. In the end, the Acheson-Lilienthal plan was the best that anyone could come up with. Once Truman and Attlee had agreed to turn the problem over to the United Nations, the notion of a U.S.-Soviet atomic partnership was probably destined to fail. Then, despite Acheson's best efforts to reopen the path to Moscow, Baruch put up the final barrier.

As relations between the United States and the Soviet Union deteriorated, Moscow pressed forward at full throttle with its nuclear weapons program. At dawn on August 29, 1949, four years after America dropped the bomb on Hiroshima, Russia successfully tested its own atom bomb on the steppes of Kazakhstan. Stimson's "secret armament race of a rather desperate character" had begun.🌐

Reviews



UPI/BETTMAN

America has adapted to high-tech
and service-oriented jobs. But it hasn't
figured out how to grow an economy.

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The Slow Growth Mystery

Can We Cure the Cancer?

Robert Z. Lawrence

The End of Affluence: The Causes and Consequences of America's Economic Dilemma. BY JEFFREY G. MADRICK.
New York: Random House, 1995,
223 pp. \$22.00.

In 1990 Stanford economist Paul Krugman wrote a superb primer on U.S. economic policymaking in the 1990s that he called *The Age of Diminished Expectations*. In it he argued that the most important problem facing the United States was a slowdown in long-term economic growth. As usual Krugman got his economics right. But his description of the mood of America in the 1990s was wrong. Instead of bringing their expectations into line with the economy's lower productive potential, Americans have been in continual denial, lashing out at foreign competition, immigrants, the poor, minorities, declining values, and above all, big gov-

ernment as the source of their problems.

In *The End of Affluence*, Jeffrey Madrick follows in Krugman's footsteps with a lucid, well-documented portrayal of America's economic plight. Madrick's central thesis is that America has entered a new era of slow growth that requires a radical change in mindset. While his message is not original, it certainly warrants repetition, since so few Americans have taken the implications of slow growth to heart, and no one has yet come up with a complete explanation for why it has happened and a full prescription for what should be done about it. Madrick's book is interesting chiefly for its description of the disease. But his analysis of the disease's origins is faulty, and his prescriptions are weak.

THE TWO-PERCENT DISSOLUTION

For over a century after the Civil War, the U.S. economy grew at a yearly rate of

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3.4 percent. For the past two decades, by contrast, the pace has been almost a full percentage point slower. For over a century, growth was driven by output per worker that was rising two percent annually, enabling real wages to grow at a similar rate. This “two-percent solution” was the key to the American Dream. The miracle of compound interest resulted in wages that doubled every 35 years, and so, for over a century, each generation lived twice as well as its predecessor.

As Madrick notes, the achievement of the dream not only brought prosperity, it also shaped attitudes. It both reflected and reinforced Americans’ optimistic, individualistic, self-reliant ideology. The achievement also shaped Americans’ attitudes toward the poor. In an economy of opportunity, which rewards diligence and hard work, the belief went, those who fail have only themselves to blame. By contrast, in European economies with longer traditions of shared misery, solidarity with the less fortunate became more common.

But since the early 1970s, America has been rudely awakened from its dream. The pace of labor productivity growth has been cut by more than half. Between 1973 and 1994 the average growth in output per worker in the business sector was less than one percent, and reflecting this slow productivity growth, wage growth has slowed to a crawl. Had the long-run growth rate in real compensation of two percent per year been maintained since 1973, average compensation today would be higher by more than a third.

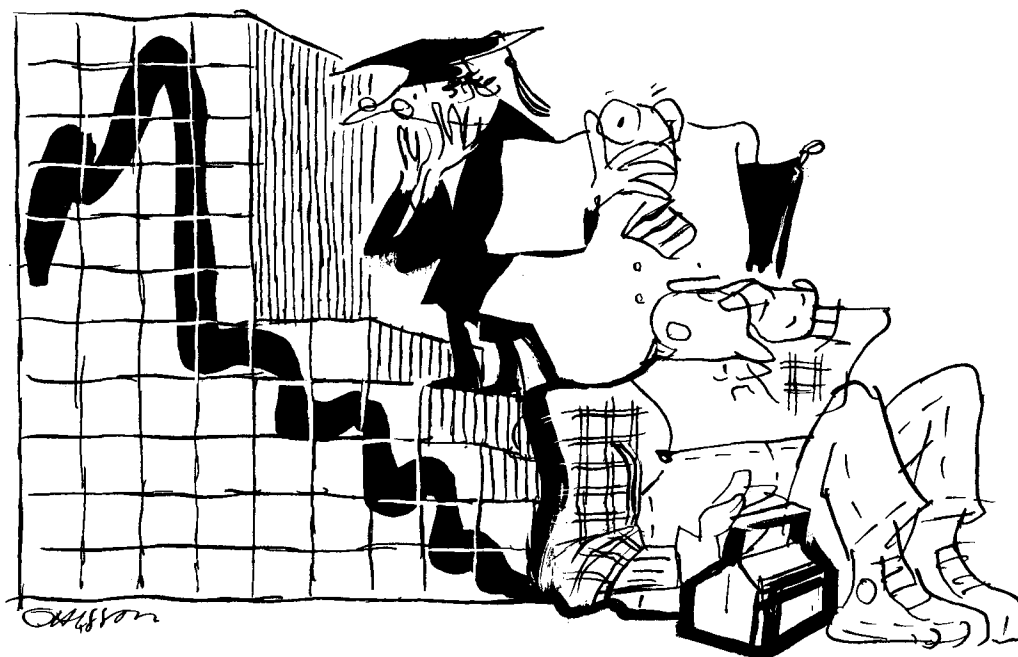
Moreover, the aggregate data disguised a second noteworthy development: growing inequality. Only families in the top fifth have experienced any income growth at all. Similarly, college-educated workers

have been the beneficiaries of all the wage growth that has occurred; wages of workers with a high school education or less have declined outright.

Madrick does a convincing job of documenting these changes and drawing out some of their effects on policy. Had the economy grown just one percent per year faster over the past two decades, the recent feuds over health care and the budget would not have taken place. All Americans could easily have been provided health care. Given actual spending outlays, federal tax revenues would have been sufficient to cut the national debt in half. Or, had Americans chosen to, they could have had both more spending *and* tax cuts. Madrick also points out that despite these changes, the attitudes of earlier times prevail. Americans retain their optimism and, mercilessly rejecting politicians speaking of malaise, reward those proclaiming “morning in America.” They see no reason to provide more help to the poor even in an environment with diminished opportunities. Indeed, they are taking steps to end welfare as we know it in an effort to foster attitudes of self-reliance.

FLEXIBLE RESPONSE

What explains the end of affluence? According to Madrick, the causes are technological change and international competition. The golden era of American growth was driven by mass production in a self-sufficient economy with large internal markets. The new era is based on flexible production methods in an economy with fragmented markets. Under the old system, sustained and predictable gains in productivity growth came from applying routinized mass production methods on



an ever-increasing scale. This evolution provided a secure environment that supported large firms prepared to invest in capacity and hire unskilled workers for jobs that were stable and relatively well paid. In the new era, however, economies of scale are less important. The capacity to produce flexibly allows for increasing product and service differentiation. It provides opportunities for smaller firms to fill niche markets and reduces the competitive advantages of large firms.

In Madrick's view, these changes have been damaging. Ironically, the proliferation in variety raises costs in the long run. The lack of standardization leads to greater volatility and uncertainty, resulting in lower levels of investment, more unused capacity, smaller gains in productivity, and less-secure jobs that require greater levels of skill. But Madrick never convincingly explains why America has been beguiled into introducing flexible production systems when they actually make it worse off. Why are consumers

misled into paying more for exercising their taste for variety, when they should stick to cheaper, standardized products? Why, to use an example Madrick cites, do viewers misguidedly pay for cable tv, which provides hundreds of channels, instead of confining their attention to the big three networks whose programs are available at no charge? And why have producers responded to these demands when, according to Madrick, they could have achieved higher productivity growth and lower costs by remaining large and producing more standardized products?

Madrick's explanations require one to abandon the presumption that consumers are the best judges of what makes them better off when they demand more variety, and that producers are the best judges of how to earn profits when they take advantage of flexible production methods to meet these demands. It is far more plausible, however, that consumers and producers really do know what makes them better off—that the gains brought

about by the new production modes have been much greater than could have been achieved with the old, and that the slowdown in the economy-wide growth rate has occurred despite, not because of, flexible production systems.

THE MANUFACTURING MODEL

Madrack argues that declining international competitiveness has compounded the change in technology. America's global lead rested on mass production made possible by its large, integrated internal market. But this advantage was diminished, first, when declining trade barriers and transportation costs allowed smaller countries to enjoy similar benefits from the world market, and second, when flexible production systems made scale less important. By the 1970s, therefore, America lost its leadership in mass production industries, and according to Madrick, "The resulting loss of markets meant fewer jobs and lower wages for American workers, the abandonment of some industries, idle capacity in many others and reduced capital investment overall."

It is true that manufacturing's share of U.S. payroll employment has declined rapidly—from 26.2 percent in 1973 to 16 percent in 1994—and that one reason was the emergence of a trade deficit in manufactured goods. But even without the trade deficit the qualitative picture would have been pretty much the same. According to estimates by Jeffrey Sachs and Howard Shatz, for example, employment in manufacturing in 1990 would have been about 6 percent greater,

or just over 18 percent of total employment.¹ Although Madrick acknowledges that trade remains a small part of the economy, he argues that internationalization created a number of powerful indirect effects, such as "rising levels of uncertainty, greater instability and business strategies to defend against foreign encroachment, which in turn reduced capital investment, reinforcing the declining trend in productivity and wage growth."

If Madrick's explanation for America's slow growth were valid, we would expect to see the largest slump in productivity growth in the manufacturing sector, where trade is very important, and the introduction of flexible production systems has proceeded most rapidly. Instead, according to the Bureau of Labor Statistics, the real laggards in productivity growth have been mining and construction (scarcely exemplars of flexible production); electricity, gas, and sanitary services; several sectors in finance; and most important, services. Madrick's preoccupation with manufacturing and international competitiveness lead him to forget that America's slow productivity growth has been concentrated in sectors that are almost totally sheltered from international competition.

It is surprising that despite his voracious consumption of the economics data and literature, Madrick fails to grasp the implications of this critically important fact: productivity growth in American manufacturing has been as rapid since 1980 as it was before 1973. Between 1979 and 1989, for example, according to the Bureau of Labor Statistics, the 2.7 percent

¹ "Trade and Jobs in U.S. Manufacturing," *Brookings Papers on Economic Activity*, vol. 1, 1994, p. 29.

annual rise in output per work-hour in U.S. manufacturing was exactly the same as the rate between 1955 and 1973.² After a period in the second half of the 1970s and the early 1980s in which it slumped, American manufacturing productivity advanced just as rapidly during this era of flexible manufacturing and increased international competition as it did during the golden era of mass production.

In fact, America's manufacturing performance did not contribute to the slow rise in American productivity since 1980. On the contrary, the performance in manufacturing was the major reason economy-wide productivity grew at all. Outside manufacturing, the average annual increase in output per worker was barely half a percent!³ The primary reason for the declining share in manufacturing employment in the United States is relatively rapid productivity growth, not foreign trade. Just as the shrinking share of employment on farms resulted from improvements in farm productivity in earlier times, so manufacturing's declining share of employment reflects its relatively more rapid productivity improvements. In particular, over the past 15 years, the difference between productivity growth in manufacturing and productivity growth in the rest of the economy has increased markedly.

Madrick ascribes recent U.S. trade

performance to the weak dollar. He overlooks that the dollar is actually no weaker today than it was in the late 1970s.⁴ By contrast with the 1970s, over the past 15 years America's international buying power has not been depressed by a falling dollar and import prices have increased no faster than American prices. Madrick neglects recent evidence that American manufacturers have regained their leads in high-tech sectors such as microprocessors and dramatically improved their performance in basic industries such as steel and automobiles precisely because they have restructured, innovated, and adopted more flexible production methods. Indeed, America's rapid transition to the industries of the future in software, telecommunications, and finance is the envy of the world.

AMERICAN UNEXCEPTIONALISM

Moreover, the problem of slower growth is not unique to America. Compared to other major industrial economies, when it comes to prospects for growth, America is actually doing about as well (or as poorly) as Europe and Japan. While economy-wide productivity and real wage growth in Europe has been faster than in the United States, European employment growth has been much weaker. In the 15 years before 1990, Japan's growth performance was a

² Multifactor productivity growth is a more inclusive measure of productivity, which takes account of inputs besides labor. By this measure, manufacturing productivity increased 1.4 percent annually in the 1980s, close to the 1.7 percent average between 1955 and 1973.

³ According to Bureau of Labor Statistics estimates, between 1982 and 1990 multifactor productivity growth in the private business sector grew at an annual rate of 0.9 percent. Of this total, manufacturing contributed 1.2 percentage points, with the rest of the economy on balance dragging productivity growth down by 0.3 percentage points. *Multifactor Productivity in U.S. Private Business, 1947-1990*, Washington: U.S. Department of Labor, 1992.

⁴ According to the Federal Reserve Board, the multilateral real trade-weighted value of the dollar (1973=100) stood at 85.8 in the fourth quarter of 1994 compared with 83.2 in 1979 and 84.9 in 1980. *Economic Report of the President*, Washington: GPO, 1995, p. 402.

stellar 4 percent per year. But in the face of the severe structural problems that emerged in the 1990s, estimates for Japan's long-term annual potential growth rate have been revised downward to between 2.5 and 3 percent. Thus, throughout the developed world, forecasters expect medium-term growth of between 2 and 3 percent because of slower labor force growth and productivity gains.

America has not competed poorly in recent years, but its growth problem remains. The U.S. manufacturing sector has improved its performance relative to other countries and is doing no worse in raising productivity than it did historically. Yet productivity performance in the economy as a whole is slow because manufacturing counts for less than 20 percent of total output. Slow growth had little to do with "competitiveness" in the first place. Productivity growth throughout the economy is what really counts.

Flexible production systems may well have contributed to America's growing wage inequality because they do appear to increase the demand for skilled and better-educated manufacturing workers. But they do not deserve the blame for slower productivity growth or recent trade performance. The real problem has been the failure of producers in services to apply these technologies in ways that raise productivity.

There are some who reject the claim that the productivity problem lies in the service sector on the grounds that productivity growth in services is hard to measure. But that has always been true.

Despite the measurement problems, before 1973 measured productivity growth in the rest of the business sector was quite similar to productivity growth in manufacturing. To make the claim that slow growth is simply a matter of mismeasurement, it is not sufficient to argue that measurement is difficult; it would have had to become increasingly difficult since 1973. While this may be true in some services, it is unlikely that mismeasurement problems can fully explain this pervasive development.⁵

There are others who claim that services productivity growth has now recovered. Restructuring of services will do for productivity growth in the 1990s what restructuring of manufacturing did for productivity growth in the 1980s. Certainly layoffs of white-collar workers in the services sector provide some support for this claim. But the evidence remains anecdotal and difficult to appraise because it is hard to distinguish a long-run trend from the normal fluctuations in productivity growth associated with the business cycle. There are some hints that productivity has partially recovered outside the manufacturing sector, but thus far serious studies find that the evidence is not compelling.⁶ Although it is possible that those proclaiming a new era (or a return to the old era) are correct, there is as yet no firm statistical backing for their optimism.

THE DISMAL PRESCRIPTION

What then should be done? Madrick's preoccupation with international competition comes to the fore when he discusses

⁵ See Martin Neil Baily and Robert J. Gordon, "The Productivity Slowdown, Measurement Issues and the Explosion of Computer Power," *Brookings Papers on Economic Activity*, vol. 2, 1988, pp. 347-431.

⁶ See, for example, the 1995 *Economic Report of the President*, pp. 108-110.

how we might reverse the changes in the economy. He dismisses several policy measures not because they might not improve American productivity and income growth but because they might not lead to relative gains over other nations. He rejects making improvements in technology, for example, on the grounds that what we do today other nations will quickly copy tomorrow. But this objection confuses relative and absolute gains. I will surely be more fit if I train for and run the Boston Marathon, although I will certainly not win it. Even if others are able to derive more gains from new technologies than we are, it does not mean we would do better not to introduce them. Similarly, Madrick dismisses the potential to raise national welfare through trade with emerging markets because the country may run deficits. Madrick forgets that both sides gain from international trade. Even if we run trade deficits, it does not mean that trade makes us worse off. Indeed, Adam Smith pointed out that by buying abroad more cheaply what it costs more to make at home, we can raise our living standards.

As I have said, Madrick is stronger in describing the problem than in prescribing solutions. Yet in criticizing Madrick humility is in order because no one has yet solved the productivity slowdown mystery. It is something like the economists' version of cancer. We know there is a disease with very complex causes. We know the things you can do to increase your chances of a cure, but we cannot be certain of all the causes or the solutions. Madrick is right to warn us about misplaced optimism and the snake oil of quick fixes. But he is wrong when he discounts the potential contri-

bution of measures such as improved education and training, better technology, higher savings and investment, and trade with emerging economies.

We do not know how to cure cancer, but we do know many things that improve the odds of survival: do not smoke, avoid direct sunlight, breathe clean air, drink clean water. Similarly, we do not know the cure for the slow growth in living standards but can be pretty sure that improved education, better technology, more public and private investment, and increased trade are likely to help. Nor should fears that foreigners may emulate or even do better than Americans inhibit the United States from taking measures that are in its own interest. America's prosperity rests not on being number one but on doing the best it can. 🌐

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Anticommunism's Two Faces

The Irresponsible Won Out

Arthur Schlesinger, Jr.

Not Without Honor: The History of American Anticommunism. BY RICHARD GID POWERS. New York: The Free Press, 1995, 527 pp. \$30.00.

After the Second World War, there was belated acknowledgment in the United States of the role of "premature antifascists," those who had opposed fascism before it became acceptable to do so. Now that the Cold War is over and even Russian politicians and writers denounce communism, it is time, Richard Gid Powers proposes in *Not Without Honor*, to acknowledge those Americans whose unfashionable early opposition to communism has won them honor abroad even if, as he claims in the last sentence of his interesting book, "in their own country they are still without honor."

Anticommunism in America, Powers, a professor at the City University of New York, makes clear, was hardly a mono-

lithic movement. Anticommunist sentiment drew from the left as well as the right, from trade union halls as well as corporate boardrooms, from the soapbox as well as the pulpit; its adherents included the labor leader Walter Reuther as well as Francis Cardinal Spellman, the socialist Norman Thomas as well as Senator Joseph McCarthy. But within this diversity Powers discerns two main tendencies. One consisted of those whom he calls, rather awkwardly, "countersubversive anticommunists," persons "obsessed with uncovering plots that were, for the most part, figments of their own imagination." The other consisted of "responsible Americans with an anticommunism rooted in a realistic and principled view of the world."

The conflict between these two forms of anticommunism provides the drama in Powers' narrative. The ironic point made in the first three-quarters of the book is that the disbelief generated by irresponsi-

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ble anticommunism overwhelmed the reasoned arguments of responsible anticommunism and succeeded in discrediting the anticommunist cause. But in the last quarter Powers curiously shifts ground and seems to regard the demise of irresponsible anticommunism as a blow to the republic.

THE ANTICOMMUNIST DIVIDE

Powers begins in the 1920s, when, following the excesses of Attorney General A. Mitchell Palmer and the Red Scare of 1919-20, the countersubversives, proclaiming that a revolutionary left organized by Moscow was on the verge of overthrowing the government, reduced anticommunism to a "travesty." In the 1930s publisher William Randolph Hearst's campaign to label the New Deal communist, and the added demagoguery of Representative Martin Dies and the House Un-American Activities Committee, "hurt anticommunism more than it hurt communism." This was the time when the Great Depression seemed to verify Marxist prophecies about the collapse of capitalism and when the Soviet Union appeared to some as the only reliable foe of Hitler. On one side stood Hearst and Dies and on the other, high-minded idealists sympathetic to communism; as Arthur Koestler well said, it was a contest between those who were right for the wrong reasons and those who were wrong for the right reasons.

But responsible anticommunism found sustenance in the Moscow trials and the 1939 Nazi-Soviet pact, and it came into its own in the early years of the Cold War. By the end of the 1940s, Powers writes, Cold War liberalism "had laid the foundation for a worldwide military, political, and cultural bulwark against communism." Then came the

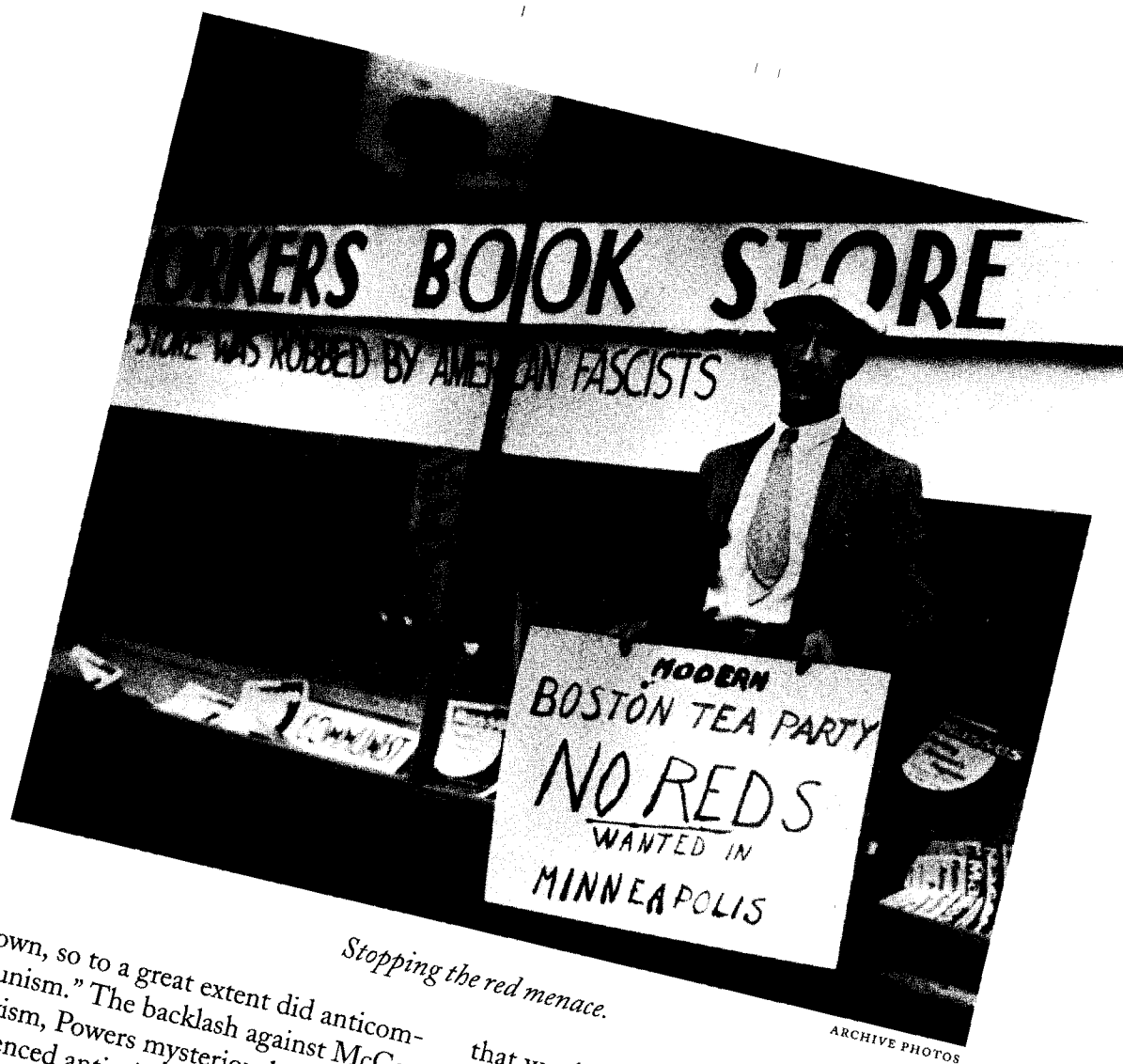
Alger Hiss case, and "wild-eyed red web conspiracy theorists" soon were "recklessly tearing away at those achievements, until the movement was vulnerable to be captured by the first demagogues able to cloak paranoid red web conspiracy theories in the mantle of major party respectability."

The Hiss case, while a disaster for the Truman administration and those who had minimized the threat of domestic communism, was also a disaster for the anticommunist cause. "It shifted the balance of power in the movement from the responsible liberal anticommunists . . . to some of the most bizarre and irresponsible figures in American politics." With the rise of McCarthy, the two forms of anti-communism came into bitter collision.

For the countersubversives, communism was an internal threat, burrowing into Hollywood, the universities, the churches, the press, even the army; McCarthy was a hero in his determination to root out spies and traitors, and McCarthyism was the salvation of the republic. As for liberal anticommunists who condemned McCarthy and his methods, they were almost as bad as the communists themselves.

For responsible anticommunists, however, communism was a threat *to* America, not a threat *in* America. Domestic communism was a problem only insofar as it complicated the task of building support for the containment of Soviet expansion overseas. The way to handle American communists was discussion and debate, not loyalty oaths, blacklists, and persecution.

For a time, McCarthy worked his will. But eventually the Senate and the country had had enough. McCarthy had turned himself into the symbol of anti-communism, and "when McCarthy went



Stopping the red menace.

ARCHIVE PHOTOS

down, so to a great extent did anticommunism." The backlash against McCarthyism, Powers mysteriously argues, "silenced anticommunism." President Eisenhower thereafter discouraged Americans from "expressing their anti-communism, for fear of reawakening McCarthyism. . . . With the President himself muting the urgency of the moral crusade against communism . . . American foreign policy was at risk of losing its way in a world in which communism's assault on freedom was still a fundamental fact of life. "When liberals dismissed McCarthyism . . . they were dangerously close to denying the public the right to debate the great issues of the day, a debate

that would inevitably lead to errors (like McCarthyism) as well as to insight."

MISPLACED REGRET

Here Powers seems to turn against his own earlier analysis. One does not recall the rejection of anticommunism as a feature of the Eisenhower administration or its successors. Why was the downfall of McCarthy not a salutary defeat for the paranoid countersubversives and a victory of responsible over irresponsible anticommunism? Having excoriated McCarthyism, Powers in the last quarter of his book seems almost to regret its defeat. "Anticommunism had become so disreputable by the early sixties," Powers

FOREIGN AFFAIRS · January/February 1996

writes sadly, that President Kennedy defined his new administration “by crusading against it at home (calling it ‘extremism’) and by rejecting it as a guide for foreign policy (calling it ‘moralism’).” The reconceptualization of the Cold War as a power struggle rather than as a holy war exasperates Powers, but was that not always one of the distinctions between his two forms of anticommunism? And would not the republic have been better off with more Hans Morgenthau and fewer Joe McCarthys?

The Vietnam War accelerated the decline of anticommunism, in Powers’ view, until it was seen as “the American original sin.” When all seemed lost for anticommunism, however, suddenly there appeared “the first faint stirring of new life, of rebirth. . . . One man summoned the will, the strength, the imagination to commence the giant task of rebuilding the anticommunist coalition.” This Lochinvar turns out to be Norman Podhoretz, the angry neoconservative editor of *Commentary*. His allies in the great resurrection were the members of the Committee on the Present Danger, formed to oppose détente.

Powers seems to take seriously the committee’s extravagant and now abundantly disproven claims that the Soviet Union was overtaking the United States in the arms race. He gives the committee, along with Podhoretz and Ronald Reagan, the credit for winning the Cold War. Counterpoised as villain against these heroes is, of all people, the father of containment, George Kennan.

That communism as a moral, economic, cultural, and ecological disaster might have contributed to its own collapse does not get much play. And while

the attempt to keep up with America in the arms race may have wrecked the Soviet economy, Reagan’s military spending nearly wrecked the American economy too, as it combined with ill-judged tax reductions to quadruple the national debt in a dozen years and create the deficits that tie down the American government so wretchedly today.

Powers’ statement that, by the time the Soviet Union collapsed, “real anti-communism had nearly faded from the American consciousness” hardly fits with his eulogies of Reagan and Podhoretz. It is true enough that Podhoretz and his fellow neoconservatives differed from McCarthy in not accusing individuals who disagreed with them of disloyalty to the republic, and that is a substantial difference. But their rigid, nsc-68-like theory of Soviet communism as something unchanging and unchangeable ignored the rise of polycentrism in the communist world and the spread of disillusion, cynicism, and corruption in the Soviet Union itself. Obsessive anticommunism, like most obsessions, distorts judgment and demeans character.

Responsible anticommunism, far from disappearing as Powers would have it, took into account the changes in the Soviet empire since the death of Stalin. As an old-time redbaiter—and Powers is generous in his comments on my 1949 book, *The Vital Center*, and Cold War liberalism—I remain, like most liberals, an unrepentant and unreconstructed anti-communist. As a historian, I have tried to recognize that communism too underwent changes and that Americans could not forever act as if Stalin were still in the Kremlin orchestrating a monolithic global communist movement. But that

Anticommunism's Two Faces

hardly makes someone like me less of an anticommunist than Joe McCarthy or Norman Podhoretz.

The first 300 pages of *Not Without Honor* can be highly recommended as an intelligent, well researched, and workmanlike account of anticommunism in America. One might wish for more recognition of the impact of European books, especially Arthur Koestler's *Darkness at Noon* and Richard Crossman's *The God that Failed*, on the shaping of American anticommunism. There are a few trivial errors: the confusion of Robert A. Lovett, the public servant, with Robert Morss Lovett, the professor of English, as a founding member of the American Civil Liberties Union; the misspelling of William Henry Chamberlin, J. Parnell

Thomas, Clarence Manion, and Harlow Shapley; the misattribution of *The Cold War and its Origins* to Donald rather than Denna F. Fleming.

But the first three-quarters of *Not Without Honor* is well worth reading. Then Powers goes off the rails and, by discarding the fruitful distinction with which his analysis began, ends in a morass of self-contradiction. ☹

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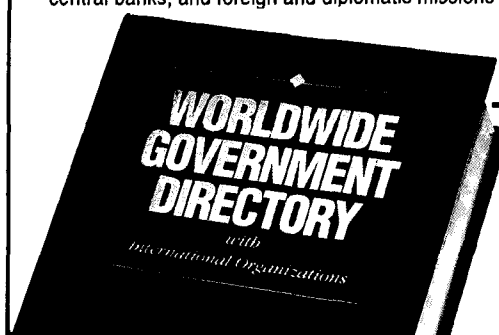
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Putting Germany Back Together

The Fabulous Bush and Baker Boys

Josef Joffe

*Germany Unified and Europe Transformed:
A Study in Statecraft.* BY PHILIP
ZELIKOW AND CONDOLEEZZA RICE.
Cambridge: Harvard University Press,
1995, 493 pp. \$35.00.

Name the three greatest moments in the history of American statecraft. The first, the Louisiana Purchase of 1803, is surely beyond debate. For a mere \$15 million and without shedding a drop of blood, President Thomas Jefferson more than doubled the size of the United States. With a brilliant mix of bluff and bluster, Jefferson not only outmaneuvered three great powers—France, Britain, and Spain—but also removed them as threats to the future expansion of the young republic. Those Americans “conquer without war,” wrote the French envoy Louis Marie Turreau, expressing his surly admiration for the clever diplomacy of the Yankee upstarts.

The decade after World War II also deserves a five-star ranking. Indeed, 1945–55 is the golden age of American foreign policy, even though gainsayers would downplay the quality of U.S. diplomacy, pointing to America’s towering predominance.¹ In those years the United States focused on building a strong institutional framework, reflected in an alphabet soup of acronyms: U.N., IMF, OEEC, WEU, ECSC, GATT, NATO, plus subsidiary alliances such as SEATO and CENTO. Add to that list the rearmament of West Germany in 1955, which completed the NATO structure. Those who pooh-pooh these institutions as instances of pactomania or imperialism miss the point. The secret of their success lay in their transcendence: dedicated to the common welfare, they served American interests by serving those of others. No other hegemonic power—from Rome to

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REUTERS/ARCHIVE PHOTOS

George Bush and Helmut Kohl, one month after reunification.

Great Britain—had so profitably hitched its national interests to the well-being of other nations.

The third period deserving at least a magna cum laude coincides with the presidency of a most unlikely candidate, George Bush. Though he could never quite get his sentences straight, from 1989 to 1993 he presided over an extraordinary chapter in American diplomacy. First, a great power—the Soviet Union—expired peacefully on his watch. Yet as Martin Wight, the British student of international politics, has put it, a great power never “dies in its bed”; before breathing

their last, the losers have historically unleashed a major war. Second, though with a little help from his friend Margaret Thatcher, Bush masterminded the Persian Gulf War coalition against Iraq’s Saddam Hussein. This achievement is particularly impressive considering that the alliance harnessed not only the cranky French, but also a slew of Arab states not often enamored of the United States or one another. Washington relegated Israel, bridling under Iraqi Scud missile attacks, to the sidelines and deftly extracted billions of dollars in tribute from the two notorious fence sitters, Germany and Japan.

¹ Although America was also the uncontested number one in 1918, nobody would bestow such accolades on U.S. foreign policy from Wilson to Hoover. Nor has excellence marked American diplomacy since 1992, when the United States has been said to be the “sole remaining superpower.”

The final masterly feat of this phase was German reunification. All of Germany in the West—that was a dream that seemed to have died for good in 40 years of Cold War. Its absurdity had become an article of faith. It was widely thought that the Soviet Union would never yield the German Democratic Republic (GDR), the very brace of its empire in Eastern Europe; no matter how exhausted, it would not swallow so brutal a revision of the balance of power in Europe. At best the Soviet Union would accept confederation or neutralization in the guise of a NATO-dissolving European security structure. And yet Mikhail Gorbachev did let go, and by 1994 the last Russian troops had left the country that had been the chief cause and venue of the tensest moments of the Cold War.

GORBACHEV'S BUNGLER

In *Germany Unified and Europe Transformed*, Philip Zelikow and Condoleezza Rice, two Bush administration officials now ensconced in Harvard and Stanford respectively, record the diplomatic maneuvering behind the reunification of Germany. Their book comes a bit late in the game but was well worth the wait. Previously we have had to rely on memoirs by the actors themselves or on accounts by academics and journalists, which suffer from the usual drawbacks. Participants tend to burnish the record, while outsiders must rely on public sources and on interviews with officials who like to add to the gloss.

Zelikow and Rice, National Security Council staffers at the time, were also involved in the events they describe, and they too cite public sources and private interviews. But they had two enormous

advantages. As the preface notes, Zelikow had access to the relevant State Department, White House, and intelligence documents. Moreover, as the authors' research proceeded, East German and Soviet state archives began to crack open, yielding, for instance, papers prepared for the Soviet Politburo. With these revealing sources, the authors shaved decades off the 25 or 50 years that normally stand between the historian and the official documents; some of the American records they used remain classified to this day. With more than a hundred pages of notes, the book is a rich quarry for contemporary historians.

How was Germany reunified? The first answer has nothing to do with the finesse of the fabulous Bush and Baker boys but much to do with the thickness of the Gorbachev crowd. In the fall of 1989, when not all dice had been cast, Gorbachev committed a blunder that will eventually rank alongside such historic bloopers as Napoleon III's declaration of war on Prussia in 1870 and Saddam's refusal to grab any of a dozen diplomatic opportunities to stop the American war machine in its tracks. Failing to authorize force against the gathering East German crowds in October 1989, as the Honecker regime demanded, or to brandish the first commandment of bipolarity—no tilting of the balance—at the West, Gorbachev grievously miscalculated.

Taking a cue from Trotsky, Gorbachev did not believe in "perestroika in one country." He identified the fate of his endeavor in the Soviet Union with renewal all the way to the Elbe; reforming the empire was, he fancied, the best way to retain it. East Germany, of course, was the most critical gamble, for it allowed Moscow to encircle and contain the unruly

rest. But East Germany, a non-nation, was also the worst place for controlled change—indeed, a mission impossible. If the GDR was to move toward democratic self-determination, it could only collapse into the arms of the “real” German state, the Federal Republic.

Still, Gorbachev’s bungle was understandable. Like the bulk of the West German political class—especially the chattering class—he believed that the GDR had become “real,” that “the other German state” was here to stay, particularly because all Bonn governments from Brandt to Kohl had scrupulously deferred to Soviet sensibilities by basing their Ostpolitik on the incantation, “two states in one nation.” Nor was Mikhail Sergeyevich alone in placing so sanguine a bet. As this book recounts in great detail, Margaret Thatcher was adamant about braking, if not stopping, unification; French President François Mitterrand, delivering sibylline homilies, certainly hoped for the same; and West German Foreign Minister Hans-Dietrich Genscher, and for a while even Helmut Kohl himself, were either too confused or too scared to commit.

The second explanation for the fortuitous denouement is George Bush or, more accurately, his right instincts at the right time. Egged on by Kohl, and against the advice of National Security Adviser Brent Scowcroft and Secretary of State James Baker, Bush went on record as early as October 24, 1989—16 days before the fall of the wall—with a verbal volley heard round the world: “I don’t share the concern that some European countries have about a reunified Germany.” By moving out in front, Washington did what should come naturally (Mr. Clinton,

please take note) to the sole remaining superpower. By forcing the pace, Bush grabbed hold of the baton; by siding with Kohl, he tightened the bond with the soon-to-be number one power in Europe; and by securing both Bonn and the baton, the United States clinched control over the Western orchestra. Even à deux, France and Britain were too weak to impose a dissonant melody, and since Bonn could rely only on Washington, the United States acquired ample leverage over Germany to prevent it from playing solo in those heady but treacherous days.

CATASTROPHE AVERTED

The Soviet Union was the next—and most critical—problem. Because Gorbachev had blundered badly during the overture, he might try even harder to recoup his losses later. In a December 1989 meeting with Genscher, after Kohl had sprung his Ten Point Plan for confederation on a startled world, Gorbachev railed about a German “ultimatum, a diktat.” Did Kohl think he could recast Europe on his own? This was exactly what the British and French were asking. “Perhaps,” Gorbachev snarled, “he thinks that his melody, the melody of his march, is already playing and he is already marching to it.”

For diplomatic history aficionados, these sections of the book, though rendered in measured prose, read almost like a thriller. The players could no longer foresee, let alone forestall, the next day’s events as Europe’s deep-frozen structures began to crack open. While the once stolid but now giddy West Germans swiftly and fecklessly forged ahead, the Soviets were digging in for battle, warning that Europe could again come to “ruin on German soil,” in the

words of Foreign Minister Eduard Shevardnadze. The climate, as even Kohl noted, was turning "icy."

In the meantime, the GDR, an artfully decorated Potemkin village, was collapsing, with emigration shooting up to 60,000 per month, twice the rate that had prompted the Berlin Wall in 1961. Clearly it was now up to the United States to coax, reassure, and constrain the Soviet Union. Exploiting their comparative advantage, Zelikow and Rice describe in fine detail the debates and battles inside the foreign policy apparatus—within and between State and the National Security Council. In the end, boldness won again, and U.S. policy proceeded on the (correct) premise that "reunification was coming rapidly, not gradually." The task, not exactly a small one, was threefold: avert a German solo run to Moscow, do not drive the Soviets to desperation, and bring a united Germany into NATO.

The first part was the easiest. The United States, as Bush wrote to Kohl, would not "allow the Soviet Union . . . to force you to create the kind of Germany Moscow might want, at the pace Moscow might prefer." By supporting Bonn, the United States was able to determine both the speed and the direction of West German policy. After some equivocation, Bonn decided that a quick and dirty deal with Moscow was not its best course, and so Genscher, though drawn by penchant and practice to obfuscation, declared at the end of January 1990, "We do not want a united Germany that is neutral."²

How would the United States cushion the blow for the loser? "The odds of success seemed long," write the authors, "but the United States set its sights on creating a dignified way out for Moscow to accept the unraveling of its presence and its authority in the new Europe." The Soviets scrambled to regain their footing, demanding a long transition period synchronized with moves toward their ancient goal, an "overarching" European security structure sans alliances in which the Soviet Union, by dint of propinquity and size, would predominate. Certainly a reunified Germany could not be part of NATO; that would be an "unacceptable shift in the balance of power," Gorbachev adviser Vadim Zagladin warned the Americans.

Perhaps the Americans (and the Germans) were just lucky, for in mid-July Gorbachev "decided to settle the German issue and put it behind him." Was it whim or wisdom, folly or an uncanny insight into the inevitability of history? Clio's disciples will endlessly debate this point. But the American team had to act in the here and now, and lucky or not, they discharged their task with uncommon virtuosity.

GERMANY UNIFIED

Bush, Baker, and their select group of advisers knew when to push and when to stop, when to flatter and when to cajole, when to build the Soviets up and when to slap them down. Yes, Moscow would get U.S. trade concessions, but it would have to lift its blockade of Lithuania. A smaller *Bundeswehr* was a reasonable demand, as

² However, Genscher continued to insist on "one-third neutralization," a plan which proposed that East German territory be demilitarized and kept outside NATO's bounds. "No reasonable person," he claimed, "could expect the Soviet Union to accept . . . an outcome" whereby "the borders of NATO could be moved up 300 kilometers eastward, via German reunification." Yet that is, of course, exactly what happened.

Putting Germany Back Together

was Moscow's insistence on keeping its troops in eastern Germany for a few years, but then all of Germany would end up in NATO. American troops in Germany? They would stay in sizable numbers—to reassure both Germany and its neighbors, including the Soviet Union. United Germany would forswear nuclear weapons, but NATO's Nuclear Planning Group, in which the Germans participated in deployment and the formulation of doctrine, would remain sacrosanct. Conventional arms cuts? By all means, but they would have to be asymmetrical to make up for Moscow's geographic advantage. A nuclear draw-down? The United States could eliminate its short-range missiles and nuclear artillery shells but could not undermine "extended deterrence," America's nuclear shelter for its European allies.

It all came together in NATO's "London Declaration" of July 6, 1990, which the United States successfully maneuvered past Europe's skeptics and naysayers. "I want you to know," wrote Bush to Gorbachev, with more sincerity than felicity, "that [the Declaration] was written with you importantly in mind." It opened up NATO to the east without yielding an inch on the age-old Soviet demand for its dissolution; NATO would be transformed but not sacrificed on the altar of German reunification. Gorbachev and other Eastern European leaders would be invited to NATO headquarters, and permanent liaison institutions would be created. No more first use; nuclear weapons would be demoted to a "last resort." With his sure-footed instinct for Gorbachev's vanities and vulnerabilities, Bush also told the general secretary "how much he admired the way you have handled the burgeoning

democratic process in your country." Certainly this "NATO summit meeting . . . will push U.S.-Soviet relations to an even higher plane."

Summing up, Zelikow and Rice report, "The allies awaited Moscow's reply. They did not have to wait long." When Kohl arrived in the Soviet Union on July 15, the bargain was all but sealed. His legendary tête-à-tête with Gorbachev in Stavropol and in the Caucasian countryside, when the Soviet president let go completely by consenting to Germany-in-NATO without delay, did not turn into a "Stavrapallo" for a simple reason. The Germans could not reenact the 1922 Treaty of Rapallo and shift the balance of power in Europe because they ran on a long but strong leash that Washington held. And they did not have to accept a collusive pact with Moscow because the United States had run interference for them all the way to the goal line. One wonders whether Mitterrand and Thatcher, tortured by their archaic memories of Germany, ever entirely understood what Bush had done for them in those critical nine months. Kohl grasped the precious gift the Americans had delivered. As he put it in another context, the Americans were "completely reliable. One could not wish for stronger support; he would not forget it."

Bush and his team deserve the highest marks—not for a simple exercise in Diplomacy 101 but for a superb performance under the most treacherous of circumstances. This time a great power did die in bed. This time German unity was achieved not by a war that, as in 1870-71, would poison Europe for a century but instead with the benign consent of all neighbors, large and small. The United States did not just finesse and finagle; as

in the years after World War II, it built a foundation for European order that promises to endure. And if Europe ever goes sour again, historians will not be able to point to American failures in 1989-90, as they rightly do with respect to 1919-20.

Nor could this accomplishment have found more astute chroniclers than Zelikow and Rice. Though actors in the drama, they resist (with far more modesty than one would expect) the temptation to train the spotlight on themselves. Naturally they quote voluminously from the American script and highlight the American performance. But they also, ever so discreetly, penetrate the makeup, revealing the warts beneath, the struggles and rivalries within. And as they focus on the others—Gorbachev and Shevardnadze, Mitterrand and Thatcher, Kohl and Genscher—they give credit where credit is due, evading the urge to settle accounts. Yet the careful reader will find plenty of subtle hints about the identity of the fools, knaves, and heroes, tragic and ironic, in this play.

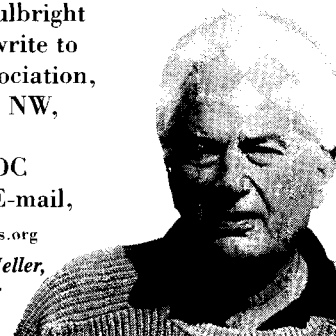
Germany Unified and Europe Transformed will for many years remain the definitive treatise on German reunification and on a brilliant chapter in the annals of American statecraft. Indeed, it will—or at least should—be read as a standard textbook. It is a case study in excellence: how to play the multi-dimensional chess game of diplomacy, a vexing contest that America, alternately idealistic, cynical, or simply oblivious, rarely savors and frequently forfeits. ♻

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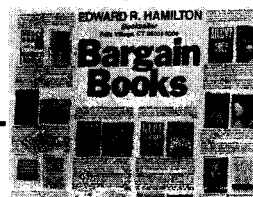
Novelist Joseph Heller,
Fulbright Scholar
to England, 1949



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Daring Amateurism

The CIA's Social History

David Fromkin

A Century of Spies: Intelligence in the Twentieth Century. BY JEFFREY T. RICHELSON. New York: Oxford University Press, 1995, 534 pp. \$30.00.
The Very Best Men: Four Who Dared: The Early Years of the CIA. BY EVAN THOMAS. New York: Simon & Schuster, 1995, 427 pp. \$27.50.

In his 1928 *Ashenden* stories, W. Somerset Maugham, who had undertaken missions for British intelligence in the First World War, portrayed espionage even for our side as morally corrupting, usually incompetent, and more likely to harm our friends than our enemies. Graham Greene and John le Carré later made these their themes. We now know that this body of literature should not be classified as fiction.

Even by the standards of a le Carré

thriller, America's Central Intelligence Agency suffers from a singularly bad press. On the front page of the October 15, 1995, *New York Times*, we read that in its initial essays in economic espionage, eavesdropping on Japanese officials, the agency flunked out. To the Commerce Department, the CIA's efforts looked "amateurish." A top American official told the *Times* that "the important stuff is garbled. And most of what you get is garbage."

That is praise compared to what is being written about the agency's performance of its original and basic mission: the conduct of political and military intelligence. When it became known, a couple of years back, that Aldrich Ames, chief of counterintelligence for the Soviet-East Europe division of the CIA, had been working since 1985 for the So-

DAVID FROMKIN is Chairman of the Department of International Relations and Director of the Center for International Relations at Boston University. His most recent book is *In the Time of the Americans: F.D.R., Truman, Eisenhower, Marshall, MacArthur—The Generation That Changed America's Role in the World*.

viet Union and then for Russia, Angelo M. Codevilla, a former senior staff member of the U.S. Senate Select Committee on Intelligence and certainly no dove, commented that "the United States would have been better off not having an intelligence service at all."

But the Ames affair was only 1994's bad news. The revelation for 1995, datelined October 31 and printed on the front page of the November 1 *New York Times*, is that the agency "knowingly gave the White House and the Pentagon inside information on the Soviet Union from foreign agents it knew or strongly suspected were controlled by Moscow." According to members of the relevant congressional committees, "The information was crucial to Washington's perceptions of Moscow in the last seven years of the Cold War. . . ." In effect, U.S. policy toward Russia was being shaped by the Kremlin.

Ten days later the *Times* disclosed something about employees of the CIA who, knowing that America's information about Russia came from tainted sources, had taken it upon themselves to withhold this vital knowledge from three directors of central intelligence, the Pentagon, and three presidents of the United States. They were mid-level officials.

Why would they have felt entitled to decide what their leaders should and should not know? A plausible theory is that it was only one aspect of an arrogance that dates back to the years in which the agency was created, the special dispensation from the rules of law and morality that CIA agents were granted, and the sort

of men who stepped into that environment and set the tone for the agency.

FRAGMENTED BEGINNINGS

In 1990 and 1992, the CIA published two volumes of a history of itself, which it had commissioned for its own internal use and had long held secret. The volumes covered the first few years of the CIA's existence.¹ The first was written more than four decades ago, in 1952-53, by Arthur B. Darling of Yale, who went on to become the first official historian of the CIA. The second volume, completed in 1971, was the work of Ludwell Lee Montague, trained as a historian, who spent his life as an intelligence community professional. These books take the reader into a world in which nations and peoples, national interests and political causes are relegated to the background, and conflicts concern not politics and morality but turf and personality, organizational charts and chains of command.

The Darling and Montague histories begin at the end of the Second World War. Intelligence authority was fragmented. At the top was an interdepartmental Joint Intelligence Committee, chaired rather than headed by its senior officer. Its six members represented departmental rather than national interests. But its staff, we are told, developed into a unified and coherent group; and it was the staff that proposed, at war's end, the appointment of an independent director of intelligence reporting directly to the president.

Competing plans were proposed by the Department of State, the Bureau of the

¹ Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950*, University Park: Pennsylvania State University Press, 1990. Ludwell Lee Montague, *General Walter Bedell Smith as Director of Central Intelligence, October 1950-February 1953*, University Park: Pennsylvania State University Press, 1992.

Budget, the several armed services departments, the Joint Chiefs of Staff, and by General William J. "Wild Bill" Donovan, the colorful commander of the wartime Office of Strategic Services (OSS). All of them, and the ambitions that animated them, were opposed by J. Edgar Hoover of the FBI, who wanted no competitors.

President Truman, even before deciding whether to have a centralized agency, created the position of director of central intelligence (DCI). His first appointee to the position, fellow Missourian Rear Admiral Sidney Souers, a reserve officer eager to return to civilian life, saw himself as a mere interim appointee: he served for six months. He was followed by the dashingly, well-connected Air Force Lieutenant General Hoyt S. Vandenberg, who served for less than a year but set in motion the processes that led to legislation to create a central intelligence agency.

The legislation consisted of the National Security Act of 1947 and the Central Intelligence Act of 1949. The deliberately vague terms of Section 102(d)(5) of the 1947 act, which provided that the agency should "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct," was intended, according to Clark Clifford, counsel to the president, to authorize covert actions. But the CIA's general counsel advised otherwise. He did not believe that Congress intended to make so great a grant of authority.

KENNAN'S PRECAUTION

It was the Department of State that insisted on the need to launch political and psychological warfare. In 1948 it looked very much as though the other side was

not playing by the rules. Instead of respecting the frontiers and accepting the partition of Europe into rival spheres of influence, the Kremlin appeared to be operating behind our lines. Seemingly, it was buying labor unions, disrupting Western economies, and using the communist party to unsettle regimes. The coup d'état in Czechoslovakia in 1948 and the tightening around Berlin that culminated in the blockade led to war jitters in Washington.

It looked as though the West had to fight fire with fire. George Kennan, head of policy planning at State, proposed to create a bureau that would run covert operations. In time of war, it would report to Defense; but in time of peace, it would be directed by State, which would nominate its director. It would be located, however, in the CIA—presumably so State could disavow it.

Rear Admiral Roscoe H. Hillenkoetter, who had reluctantly agreed to succeed Vandenberg, becoming the third DCI, resisted. His attorney had told him that covert operations were illegal. His wartime experience had led him to believe that an agency cannot effectively engage in both information-gathering (which was the CIA's mission) and covert actions—so he did not want the CIA to undertake covert actions. Finally, to house Kennan's bureau without directing or controlling it gave him, as he saw it, the responsibility without the power.

But Hillenkoetter, who was junior in rank to his colleagues, proved to be a weakling. What he intended as conciliation ended in surrender, in this as in his other bureaucratic battles. NSC 10/2, dated June 18, 1948, and drafted by Kennan, established covert operations in a new bureau of the CIA. Named by State as its di-

rector was Frank Wisner, a Wall Street lawyer serving in the State Department and a friend of Kennan. A dashing, well-born amateur with a circle of glamorous friends in the East Coast establishment, Wisner defined the habits and comportment for the new bureau.

Only a couple of years after Wisner's appointment, North Korea's attack on South Korea took the American intelligence community by surprise. A head had to roll. It was Hillenkoetter's. On October 7, 1950, Lieutenant General Walter Bedell Smith replaced Hillenkoetter as DCI. Montague's volume in the agency's internal history shows the CIA, as we know it, emerging only in 1950-53 under Smith, a hard-bitten battlefield soldier and chief of staff to General Eisenhower in the Second World War.

Smith imposed himself by force of personality as well as high rank. Typically, Smith canceled the Kennan-Hillenkoetter agreement. He took matters into his own hands, firmly establishing CIA control of covert actions. Harboring a dim view of political and psychological warfare and of covert operations in general, he brought in another tough army general, Lucian Truscott, to investigate what Frank Wisner and the other State Department types had been doing on the front lines of the Cold War ("I'm going to go out there and find out what those weirdos are up to," Truscott told Smith).

Eisenhower and his secretary of state, John Foster Dulles, took office promising to stop the mere passive containment of Soviet expansion and instead to roll back Soviet rule actively, liberating Central and Eastern Europe from the Red Army. Yet at the same time, Eisenhower proposed to slash the government's bud-

get and curtail military spending. The apparent inconsistency was resolved by adopting covert action as Washington's day-to-day mode of operation in the Cold War world. It was inexpensive; it was warfare on the cheap.

Smith was transferred out of the CIA. Allen Dulles, ex-State and ex-oss, younger brother of the secretary of state, became DCI. Dulles was another gentleman amateur, with a long history of involvement in secret service work and a romantic view of it. In his administration Wisner and the others who had been in eclipse under Smith were given full license. Covert actions no longer were supervised by the prudent Kennan or the skeptical Smith; they were in the charge of an enthusiast.

THE SECRET HISTORY

Conceding that "many good histories of the CIA in this period" already have appeared, Evan Thomas writes, "My purpose is different. This is in many ways a social history." And that is indeed the special value of his readable and illuminating biography of four senior agency officials, *The Very Best Men*. For Thomas argues persuasively that many of the qualities apparent in CIA covert activities in the formative years of the agency reflect traits of personality common to the Wall Streeters who were its leaders in those years, and who were products of the same schools, law firms, banks, and clubs.

Thomas claims to be "the first author or historian ever permitted to read the CIA's own secret histories." Yet there is nothing of importance in his account of the institutional history that we did not know before. His characters are recognizably the same as those found in earlier

Daring Amateurism

books by Miles Copeland and Burton Hersch, and his characterizations of them are not dissimilar.²

Evan Thomas and Walter Isaacson were the authors of *The Wise Men*, a widely praised biography of six American government officials during and after the Second World War who shared some of the same background and who worked together to achieve common goals. The co-authors since have gone their separate ways, Isaacson to *Time*, Thomas to *Newsweek*, but *The Very Best Men* is nonetheless meant to be a sequel. In the words of its author, it "is intended to be in some ways a companion to *The Wise Men*. . . . The four CIA officials portrayed in this book came from similar backgrounds, shared the same worldview, and were devoted to the same cause."

Wisner is the chief figure among the four. He served as the first head of covert operations, from 1948 to 1958. The second is Richard Bissell, who succeeded Wisner and served until 1961. The third and fourth, Tracy Barnes and Desmond Fitzgerald, worked closely with Wisner and Bissell.

These were men who seem to have pictured themselves as figures out of a Fitzgerald novel. As was true of so many Fitzgerald characters, there was a great deal of immaturity in them: a great deal of the undergraduate fraternity house. They set off stink bombs at communist youth festivals. They launched balloons that dropped 300 million leaflets into East Europe. When Bedell Smith was appointed DCI, one of his inspectors reported that,

inside the psychological warfare offices, CIA officials were sitting around shooting balloons with BB guns. One of their psychological warfare schemes was to drop gigantic condoms apparently made for Americans, labeled "medium," into Russia; one former official claims that this was intended as a joke, but General Smith, tired of the CIA's obsession with retail rubber goods, barked, "If you send me one more project with god-damned balloons, I'll throw you out of here."

Wisner and his friends seemed to have seen themselves as favorites of the gods: gifted amateurs, improvising at every turn, and outwitting the heavy-handed professionals on the other side. It was a lark, they thought. They bragged to one another of their successes in overthrowing the governments of Guatemala and Iran in the early 1950s. In Guatemala they had taken a drunken army officer, dragged him through a cold shower to sober him up, got him dressed, and set him up as the country's new leader. In Iran they had done almost the same thing.

At a distance, the difference in scale between these pranksters, with their balloons and condoms, and the task assigned to them by the Eisenhower-Dulles administration of rolling back the legions of the Russian and Chinese communist empires is not funny. It is appalling. From Evan Thomas' account, one gathers that, over time, Wisner and his colleagues began to suspect that too.

Even their two successes, Guatemala and Iran, began to look less and less suc-

² Miles Copeland, *The Game of Nations: The Amoral of Power Politics*, New York: Simon & Schuster, 1970. Subsequent volumes include *Without Cloak or Dagger: The Truth About the New Espionage*, New York: Simon & Schuster, 1974, and *The Game Player: Confessions of the CIA's Original Political Operative*, London: Aurum Press, 1989. Burton Hersch, *The Old Boys: The American Elite and the Origins of the CIA*, New York: Scribner, 1992.



UPI/BETTMANN

The CIA's tunnel under the Berlin Wall is exposed.

cessful. It turned out that neither of the leaders the CIA overthrew was a communist, or in Russia's pay. In both cases private corporate interests were served by American actions; less and less did it seem that the security interests of the United States had been at stake. Forty years later, the CIA is still reviewing its

Guatemala file with an eye toward eventual declassification; for the moment, one can only guess how it will further tarnish reputations when it is made public.

Thomas' story, which begins in farce with the condoms and balloons, turns eventually to tragedy, as Wisner and his friends move from the life of a Fitzgerald

hero to the self-destructive life of Fitzgerald himself. Charmed and doomed scions of the East Coast elite, they were amateurs playing games that only professionals stand a chance of surviving. They destroyed those they touched and, in the end, themselves.

From the beginning, the Soviet Union knew every move they made. Thomas writes that "the CIA's success in the Philippines in the early 1950s stands against a backdrop of failure: of agents betrayed; dropped into the waiting arms of the communist security apparatus; dragged before people's tribunals; interrogated, tortured, and shot. In Germany, CIA case officers painfully listened on Moscow radio to the show trial of agents they had unwittingly delivered into communist hands." Again and again, American agents were dropped into Albania, and always into the waiting arms of their enemies. In Berlin, the CIA, at great cost and effort, dug a tunnel into the eastern sector; the Russians allowed it to be used for a short time and then shut it down.

In the beginning it was Kim Philby; in the middle it was the Walker ring; in the end, it was Aldrich Ames. The Soviet secret services always seemed to be deeply implanted in U.S. intelligence. Setback after setback, followed by the disaster of the Hungarian revolt of 1956, were enough to drive Wisner mad. It took time for it to be recognized; only in 1958 was he committed to a private psychiatric hospital and diagnosed as suffering from psychotic mania. He was replaced by Richard Bissell. In 1962, Wisner's CIA files were reviewed by a successor, who destroyed them as "the ramblings of a madman." In 1965, Wisner committed suicide.

NO ORDINARY DUTY

Bissell was the architect of the fiasco at the Bay of Pigs, for which he lost his job. But it also was Bissell who was responsible for creating the U-2 spy airplane, one of the outstanding triumphs of the American intelligence community.

The successes of the United States, and also of its ally Great Britain, in non-human intelligence—aerial surveillance, cryptography, and technologies of various kinds—when taken with America's dismal record in traditional intelligence and counterintelligence, might suggest that we should stick to the technological intelligence we do so well and give up on the human side: no more spies, counterspies, or covert operations. But in the real world, that is not a policy that circumstances allow us to pursue.

A Century of Spies reminds us how central the ordinary business of spying and counterspying has been to the politics, diplomacy, and wars of modern history. Almost encyclopedic in scope, Jeffrey Richelson's valuable and comprehensive book provides concise and clearly written summaries of espionage operations from 1900 to our time. His summaries are in chronological order, but as the author supplies neither an overarching narrative line nor a framework of analysis, it is for us to draw our own conclusions.

One of these is that espionage is an essential activity in international politics. Another is that in the future it may be even more so. It looks very much as though the dangerous enemies of the future may be not only states, as has largely been the case until now, but also terrorist gangs, fragmented factions, and deranged individuals supplying one another with whatever is needed to fabricate or purchase weaponry.

Aerial surveillance and cryptography are of limited value against such as these. Infiltration by human agents will be needed; so will be the ability to carry out Entebbe rescues of hostages. Technology alone will not be able to do the job.

So while the dark arts of the secret services are indeed both dirty and dirtying—Maugham was quite right about that—we cannot dispense with them. Maybe we should disband the CIA, but if we do, we will have to reassign some of its duties

to other agencies. Not until human nature in politics changes can we afford to bring our spies in from the cold. ☹

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Letters to the Editor

*David Isenberg, William D. Hartung,
Frank J. Gaffney, Jr., and Larry Brown*

A READINESS HERRING

To the Editor:

Lawrence J. Korb mentions readiness as one reason the U.S. defense budget is being sheltered from cuts ("Our Overstuffed Armed Forces," November/December 1995). This rationale for protecting Pentagon funds was largely conjured out of thin air. The readiness panel appointed by Secretary of Defense Les Aspin in 1993 concluded in its 1994 report that "the general readiness posture of today's conventional and unconventional forces is acceptable in most measurable areas." After conservative critics charged the Clinton administration with allowing readiness to decline, the chairman of the panel, former Army Chief of Staff General Edward Meyer, complained in an interview with *The Wall Street Journal* that the emphasis on maintaining peak readiness was hollowing out future military forces. "It is a near-term, get-through-the-next-couple-of-years [approach]," he said, "without taking time to look at the future." Press reports that the readiness ratings of three army divisions had dropped also fueled the controversy. Months later it was quietly revealed that the three divisions had scored well below peak status for several years in the mid-1980s, during the height of the Reagan military buildup,

when the Pentagon did not suffer any shortage of funds.

DAVID ISENBERG

*Senior Research Analyst, Center for
Defense Information*

To the Editor:

The United States should implement even deeper cuts in the annual defense budget than the \$40 billion outlined by Korb. His conclusion derives from his "even-if" logic: even if one accepts the strategy that emerged from the Pentagon's 1993 Bottom-Up Review holding that U.S. forces should be capable of fighting and winning two major regional conflicts at the same time, current spending levels far exceed those requirements. But as former U.S. Air Force Chief of Staff General Merrill McPeak has argued with respect to the two-war strategy, "Neither our historical experience nor our common sense leads us to think we need to do this. . . . One [conflict] comes along every 15 years or so. Two have never come along simultaneously." If U.S. strategy were revised to anticipate one major regional conflict, the projected savings could be increased to at least \$75 billion per year.

Not only are current allocations excessive, but they could also be dangerous. A post-Reagan "Star Wars" missile defense system may never provide protection from

a ballistic missile attack, but it could provoke Russian hard-liners into cranking up a new nuclear arms race. Costly B-2 bombers and Seawolf submarines will not add appreciably to combat capability, but they will tie up enormous amounts of funding, personnel, and energy that could otherwise be devoted to developing weapons systems and doctrines more closely tailored to the kinds of challenges U.S. forces may actually face. And the Clinton policy of promoting exports of advanced weaponry to putative coalition partners in every corner of the world may create more problems than it solves by fueling regional arms races and putting U.S. military technology in the hands of potential adversaries, as happened in Panama, Iraq, Somalia, and Haiti.

Cuts in defense spending have been the great unmentionable in the recent budget deliberations, and the stunning silence has come at the expense of other critical priorities. As major military threats diminish amid continuing conflict, less is more: a more streamlined approach to defense spending can clear the way for new thinking on security problems.

WILLIAM D. HARTUNG

Sr. Research Fellow, World Policy Institute

To the Editor:

Korb's call for sharp reductions in the defense budget proceeds from an erroneous appraisal of the dangers facing the United States in the post-Cold War era and of the size and capabilities of the armed forces needed to face these threats.

Korb's argument—that the Clinton administration overstates the number of U.S. military personnel required to fight two major regional contingencies simultaneously—would be correct provided that America's future adversaries prove as incompetent and combat conditions as advantageous as in Operation Desert Storm. The enemy's use of weapons of mass destruction, the early loss of key airfields and ports, and the loss of a U.S. monopoly on intelligence could demand force levels closer to, if not much higher than, Clinton estimates. Moreover, Korb's methodology for calculating U.S. defense needs—comparing U.S. military expenditures to those of potential adversaries—is like setting police budgets based on estimates of the amount criminals spend to break the law.

The Joint Chiefs have determined that the Clinton administration is some \$50 billion short of the necessary investment in tomorrow's weapons systems. Further cuts in defense spending would exacerbate this worrisome trend. Korb's recommendations would not address the single most pressing national security problem: America's inability to defend itself against even a single ballistic missile attack. As weapons of mass destruction proliferate, this weakness is an invitation to disaster. Technologies exist that would offer considerable protection at a very modest price. One is the U.S. Navy's Upper Tier system, which would cost only between \$2 billion and \$3 billion to deploy worldwide over the next five years and

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would be integrated into the current Aegis fleet air defense system, in which the Pentagon has already invested \$50 billion. The costs of even more expensive anti-missile options pale by comparison with the potentially enormous price—in terms of both American lives and property—of failing to act in time. The congressional Republicans Korb vilifies for adding funds for national security will, one hopes, succeed in lessening America's vulnerability before it is exploited by the growing numbers of enemies who would do the United States grave harm.

FRANK J. GAFFNEY, JR.

Director, Center for Security Policy

LONG LIVE THE CIA

To the Editor:

Although Roger Hilsman is correct in arguing that the U.S. intelligence community suffers from duplicated effort, his conclusions concerning espionage and covert action stand on shaky ground ("Does the CIA Still Have a Role?" September/October 1995). Covert action did, as Hilsman notes, reach its zenith under the Eisenhower administration, thanks to the efforts of the brothers Dulles. But today we seem to focus only on failures like the Bay of Pigs invasion or on those operations that were based on questionable assessments of the communist threat, such as the CIA-backed coups in Iran in 1953 and Guatemala in 1954. We ignore the successful postwar efforts to influence the outcome of the French and Italian elections and the assistance to Greece and Turkey (all under the Truman administration), which, together with the Marshall Plan, halted the spread of communism in Europe. Nor do we mention later achievements such as the election

of Ramón Magsaysay as president of the Philippines in 1953.

Hilsman also puts forward the more radical proposal that the United States abandon espionage, demonstrating through historical examples that spying seldom provides critical information. He seems to believe that the U.S. intelligence community need rely only on a combination of signals intelligence, photoreconnaissance, and careful analysis of open-source information. But coded signals, for example, often cannot be decoded by even the best computers. The National Security Agency has literally miles of intercepted message tape in storage, waiting for someone—or for some technological advance—to decode it. As for satellites, they cannot see everything at once. Information from a human source is often needed to identify a potential target that the satellite, once reoriented, can observe. Espionage has also had important successes. For example, Soviet spy Richard Sorge learned during World War II that Japan did not intend to join Germany in its war against the Soviet Union; this information allowed Stalin to shift thousands of troops from Siberia to the western front.

Hilsman leaves important questions unanswered. If the United States were to eliminate most CIA stations abroad, who would protect U.S. embassies from foreign infiltration and espionage? Will the United States ignore the threats international terrorism and drug trafficking pose? Will the United States abandon espionage when all other nations—both allies and enemies—continue to spy?

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